

ARKANSAS EXPORTER

A newsletter of the U.S. Export Assistance Center of Arkansas



NEWS

Business Opportunities for Arkansas with Mexico

The Arkansas District Export Council, the Arkansas U.S. Export Assistance Center (USEAC), & PROMEXICO in conjunction with the Little Rock Regional & Springdale Chambers of Commerce will coordinate programs on July 11 & 12th, 2012 to highlight export opportunities for Arkansas companies into Mexico. The program occurs at 10:00AM-12:00PM. Attendance is free & requires registration per below:

Little Rock:

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q9P>

Springdale: <https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q9Q>



Johnson Earns International Business Credential

Eric Johnson, Senior International Trade Specialist, with the U.S. Commercial Service, recently earned the international business credential offered by NASBITE (CGBP - Certified Global Business Professional), making him one of only a select few business professionals in the state to achieve this credential.

CGBP recognizes an individual's ability to conduct global business including trade finance, global business management, global marketing, & supply chain management. Candidates receive this credential by passing the CGBP examination & having a combination of academic and international business experience.

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Effects of NAFTA on U.S. -Mexico Agricultural Trade

According to a report by the USDA, U.S. agricultural trade with Canada and Mexico has nearly doubled since the implementation of the North American Free Trade Agreement (NAFTA). While only a portion of this overall increase can be attributed solely to the agreement, NAFTA has allowed competitive market forces to play a more dominant role in determining agricultural trade flows among the three countries.

By dismantling numerous trade barriers, the agreement has contributed to an expansion in U.S. agricultural exports and increased the domestic availability of various farm and food products. In addition, NAFTA has established rules and institutions that mitigate potential trade frictions and promote foreign direct investment.

Conversely, many of the initial trepidations that were voiced concerning declining agricultural employment and environmental degradation have not materialized. Thus, NAFTA should be judged not just in the context of the trade gains associated with the agreement's agricultural provisions, but also in terms of the benefits derived from "locking in" key trade, investment, and institutional reforms in an increasingly integrated North American market.

For the full USDA report on the recent developments in agricultural trade with Mexico, click [here](#).





ARKANSAS EXPORTER is a monthly publication of the Arkansas Export Assistance Center.

THE U.S. EXPORT

ASSISTANCE CENTERS are part of the Department of Commerce' U.S. & Foreign Commercial Service (CS). We promote and protect U.S. commercial interests abroad and deliver customized solutions to ensure that U.S. businesses compete and win in the global market- place.

See www.export.gov/cs.

OUR WEBSITE:

www.export.gov/arkansas/index.asp

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Note: The U.S. Government does not endorse products or companies, and assumes no responsibility for the accuracy of data contained herein, or for the success or failure of any business transaction resulting from opportunities listed in this publication. **If you would like to be removed from this mailing list, please contact the Little Rock Office.**



Upcoming Webinars

A Basic Guide to Exporting: Satisfying International Product Certification Requirements

July 11 2:00pm – 3:00pm EST

Products tested & certified in the U.S standards are likely to have to be retested & re-certified in other markets. Learn about different product certification requirements for European CE marking & China Compulsory Certification (CCC Mark). Also learn what the role is of the National Institute of Standards & Technology. Cost: \$15

For more information, or to register, click [here](#).

Mexico's Solar Market Webinar

July 19 4:00pm EST

Learn about the various aspects of the growing solar market in Mexico from current industry professionals. Topics will include: 1)The Need for Energy Efficiency Technologies in Mexico; 2)The Solar Market in Mexico; and 3)An Integrator's Perspective on Green Energy in Mexico Industry.

For more information, or to register, click [here](#).

A Basic Guide to Exporting: Website Optimization to Attract International Buyers

July 25 2:00pm – 3:00pm EST

This webinar focuses on how to maximize international exposure for your products & services. It covers using websites as an effective marketing channel; making your site 'visible' to customers; search engine optimization; comparing Search Engine Optimization to Pay Per Clicks & attracting buyers from different countries to your site. This webinar will also help you understand how social media can optimize your international business strategies. Cost: \$15

For more information, or to register, click [here](#).

To Asia and Beyond: Maximize Opportunities at the Asia Television Forum

July 31 8:00pm EST

Interested in maximizing opportunities in Asia? The Asia Television Forum is Asia's premium content market to buy, sell, finance, distribute, & co-produce across all platforms. This free webinar will include market information, industry insights and government resources available to U.S. film, TV, media & content companies.

For more information, or to register, click [here](#).

ALL BUYUSA.GOV SITES ARE NOW AT EXPORT.GOV

Exporter information that was on BuyUSA.gov has now moved to Export.gov.

Trade Show:

Annual Meeting and Clinical Laboratory Expo of the American Association for Clinical Chemistry



Dates: July 15, 2012 – July 19, 2012

Location: Los Angeles, CA

Background: The world's largest meeting devoted to clinical chemistry & clinical laboratory science. Members and attendees work in laboratories affiliated with hospitals, research institutions, academia, & reference laboratories.

For more information, click [here](#).

Or contact **Shelby Peterson** at (202)482-5531 or at Shelby.peterson@trade.gov

Letters of Invitation:

It is not unusual in certain countries that a letter of invitation is requested for business partners to attend a conference, tradeshow or meetings in the U.S. Note that a letter of invitation does not guarantee a visa will be issued, and it does provide visa officers with information to determine whether exit requirements can be met. Companies are not legally responsible for the visitor once they arrive to the US; they provide the letter in good faith.

The letter must be submitted to the Embassy or Consulate outside of the USA when the invited party applies for a Visa. As an example, read more about what is required in the Philippines [here](#).

There is no real guide to how the letter should look, though a number of elements should be included both about the invitee and the company offering the invitation.

Your letter must include the following information about the person being invited:

- Complete name.
- Date of birth.
- The person's address and telephone number.
- Your business relationship to the person being invited.
- The purpose of the trip.
- How long the person you are inviting intends to stay in USA, and where they plan to travel.
- Details on accommodation and travel expenses.
- The date the person you are inviting intends to leave the USA.

Your letter must also include the following information about yourself:

- Complete name.
- Date of birth.
- Address and telephone number in USA.
- Title & Occupation, and relationship to the individual agent.
- A statement that you are a US citizen.

This letter should be on your company's letterhead.

Medical Device Regulatory Requirements for Mexico

The Secretariat of Health in Mexico regulates health products including medical devices. The *Ley General de Salud*, or General Health Law, available [here](#), mandates the Health Secretary to register medical products in Mexico and issue regulations for the importation and exportation of health products (medical devices, pharmaceuticals, drugs, biological products for human use) and food.

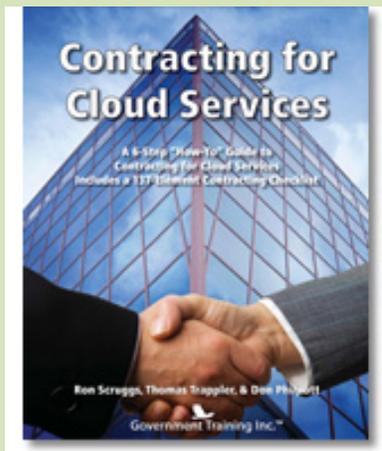
The Mexican General Health law covers all health products including medical devices, which have been defined in the Official Mexican Standard on labeling of medical devices as the following: medical equipment, prosthetics, orthotics, functional aids, diagnostic agents, dental equipment and supplies, surgical and healing equipment, and hygienic products. Article 83 of the *Reglamento de Insumos Para la Salud*, or Health Products Regulation, classifies medical devices according to a three-tier risk-based classification system similar to that of the U.S. FDA and the European Union Medical Device Directives. The classification is as follows:

- Class I devices: Defined as those that "are very well known in the medical field, with proven effectiveness and safety, and that generally are not introduced into the human body."
- Class II devices: Defined as "well known in the medical field, but may have a variation in the raw materials of which they are made, or different component composition or concentration, and that are introduced into and kept in the human body for less than thirty days."
- Class III devices: Defined as "new products or products recently approved in the medical field, or products that are introduced and kept in the human body for more than thirty days."

The Federal Committee for Protection from Sanitary Risks is the unit that has received the charge of issuing regulations. This branch of the Health Secretariat issues an import permit called the Sanitary Authorization for qualifying medical devices, for which the applicant must provide specific information about the shipment to be imported.

Government Training Announces the Publication of Two New Books on Cloud Computing

1) Contracting for Cloud Services – A detailed “how to” contract for cloud services – includes a checklist of 137 contract terms & conditions that need to be considered in your cloud contract.

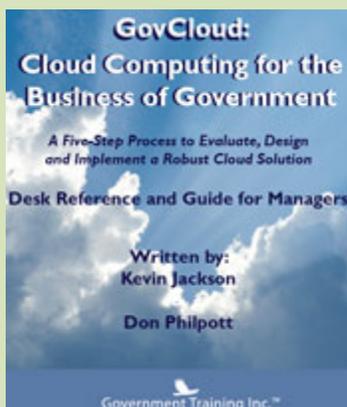


By Ron Scruggs, Thomas Trappier & Don Philpott
Published by Government Training Inc.

Oct 2011

ISBN: 978-1-937246-67-9

2) GovCloud: Cloud Computing for the Business of Government – A five step process designed to help governments at all levels evaluate the business case for, design, and implement a robust cloud solution.



By: Kevin Jackson & Don Philpott

Published by: Government Training Inc. Jan 2011

ISBN: 978-0-9832361-3-9

What to Do If You Discover You May Have Violated the EAR

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(Third of a 3 Part Series)

Introduction:

In the first installment of this series, we discussed that U.S. export controls, specifically those found in the Export Administration Regulations (EAR), apply not only to companies dealing internationally in military, high tech or otherwise sensitive goods and technology, but to activities that are wholly domestic and not readily recognized as international, as well. We outlined ways in which the EAR applies to their activities. We also discussed that the consequences for violating the EAR are stiff: criminal and administrative penalties of up to \$250,000 or twice the value of the transaction and a fine of up to one million dollars and/or up to 20 years in prison, respectively. For both civil and criminal violations, a denial of export privileges may result.

In the second installment, we discussed the nine elements of an effective export compliance program.

In this installment, we will discuss what to do in the event you discover that you may have violated the EAR.

Voluntary Self-Disclosures:

The Bureau of Industry & Security (BIS), the agency that enforces and administers the EAR, encourages the submission of Voluntary Self Disclosures (VSD) by parties who believe they may have violated the EAR. The BIS views VSDs as a sign of a party's sincere intent to comply with U.S. export control requirements, and may provide BIS valuable information on other ongoing violations.

In order for a VSD to be effective, the following caveats must be considered:

1. A VSD must be received by BIS for review prior to the time that BIS enforcement, or any other agency of the United States Government, has learned the same or



substantially similar information from another source and has commenced an investigation or inquiry in connection with that information; and

- 2. A firm will not be deemed to have made a disclosure under this section unless the individual making the disclosure did so with the full knowledge and authorization of the firm's senior management.

The regulations provide that the following information must be included in each VSD:

- A. The kind of violation involved;
- B. An explanation of when and how the violations occurred;
- C. The complete identities and addresses of all individuals and organizations involved in the activities giving rise to the violations;
- D. License numbers;
- E. The description, quantity, value and ECCN or other classification of the items involved; and
- F. A description of any mitigating circumstances.

In addition, the following supporting documentation should be included: licensing documents; shipping documents; other documents such as letters, facsimiles, telexes, and other evidence of written or oral communications, internal memoranda, purchase orders, invoices, letters of credit and brochures. Finally, a certification must be submitted stating that all of the representations made in connection with the voluntary self-disclosure are true and correct.

Mitigating and Aggravating Factors:

A VSD is a mitigating factor in determining what administrative sanctions, if any, will be sought by the BIS. In determining what weight to give the VSD, the BIS will take into account all mitigating and aggravating factors. General factors are the: destination of the exports; degree of willfulness involved in violation(s); number of violations; and whether criminal charges are in order. Some factors are given "great weight" and are treated as considerably more significant than factors that are not designated.

Mitigating factors include:

- Voluntary Self-Disclosure of violations (great weight);
- Effective export compliance program (great weight);
- Cooperation with BIS investigation;
- Assistance to other BIS investigations;
- No previous record of violations.

Aggravating factors include:

- Deliberate effort to hide or conceal violations (great weight);
- Serious disregard for export compliance responsibilities (great weight);
- Items is significant due to its sensitivity or reason for control (great weight);
- History of violations;
- High quantity or value of export.

To Disclose or Not:

While BIS heartily encourages VSD and most VSDs result in no penalty, caution should be exercised in deciding whether to submit a VSD. Not only the facts you are disclosing, but your whole operation will be subject to scrutiny. If you discover violations, you should consult with counsel before making the final decision to file a VSD. Make sure you are clear whether an inadvertent mistake was made or the violations were willful and knowing. Other factors to consider in determining whether to file a VSD are: whether you have adequate internal controls such that your standard operating procedures are sufficient; how you discovered the violation; what you did once you discovered the violations, including any remedial action that would prevent the same lapse from occurring; and what was done to personnel who caused the violation.

Conclusion:

The far reaching nature of the EAR can be overwhelming. However, an effective export compliance program can help the exporter avoid violations. In the event an exporter discovers a potential violation, it should fully investigate the circumstances, not only of that violation, but of the company's overall export activity, in deciding whether to file a VSD. The decision whether to self-disclose and the VSD, itself, should be discussed with legal counsel.

****Please contact the editors of this newsletter in order to receive any previous installments of this series****

NATIONAL EXPORT INITIATIVE
Learn more at www.export.gov.



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