

# ARKANSAS EXPORTER

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



## NEWS

### Governor's Award for Excellence in Global Trade

Arkansas companies interested in international trade should plan to attend the 3<sup>rd</sup> Annual Governor's Awards for Excellence in Global Trade, on Wednesday, May 23, 2012, at the Governor's Mansion, 11:30am-1:00pm.

Hosted by Governor Mike Beebe, the business luncheon will feature UPS Director of Marketing Dave Hudson. UPS, headquartered in Atlanta, Georgia, is an international logistics and transportation leader. Hudson will discuss how robust and open global trade drives the world's economic engine. Global trade is the quickest and surest way to accelerate global growth, create new jobs, and improve living standards. Expanding into international markets expands company profits and creates jobs for Arkansans.



Dave Hudson  
UPS Director of Marketing

Don't miss this opportunity to participate in Arkansas's largest, annual international trade networking event and meet with service providers, government representatives, and other Arkansas exporters.

Individual tickets are \$50.00. To order tickets, contact the Arkansas U.S. Export Assistance Center in Little Rock at 501-324-5794 or [Office.LittleRock@trade.gov](mailto:Office.LittleRock@trade.gov)

### Colombia Program Implementation

President Obama signed legislation late last year approving the U.S.-Colombia Trade Promotion Agreement (CTPA), or more commonly referred to as FTA. However before the agreement could enter into force, Colombia had to be able to demonstrate that it is in compliance with those obligations that will take effect on day one.

On April 16, 2012, President Obama announced that the trade deal will enter into force next month, as his administration has certified that Colombia has taken the necessary steps to implement its FTA obligations:

The U.S. International Trade Commission estimates that the elimination of tariffs & related barriers in Colombia will increase U.S. GDP by nearly \$2.5 billion & U.S. merchandise exports by \$1.1 billion. Over 80% of U.S. exports of consumer & industrial products to Colombia will become duty free immediately, with remaining tariffs phased out over 10 years. With average tariffs on U.S. industrial exports ranging from 7.4 to 14.6%, this will substantially increase U.S. exports. Key U.S. exports will gain immediate duty-free access to Colombia, including almost all products in the agriculture and construction equipment, aircraft & parts, auto parts, fertilizers & agro-chemicals, information technology equipment, medical & scientific equipment, & wood sectors.

The FTA will also open Colombia's \$134 billion services market to highly competitive American companies, which will help to support jobs for American workers.

For more information on the FTA benefits, click [here](#)  
For industry-specific opportunities in Colombia, click [here](#)

## TABLE OF CONTENTS

NEWS AND US-Colombia FREE TRADE AGREEMENT	1
EVENTS	2-3
WEBINARS	3
EXPORT ADMINISTRATION REGULATIONS	4





**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](http://www.export.gov/cs).



**OUR WEBSITE:**

[www.export.gov/arkansas/index.asp](http://www.export.gov/arkansas/index.asp)

**STAFF DIRECTORY**

**Patricia Gonzalez, Director**  
[Patricia.Gonzalez@trade.gov](mailto:Patricia.Gonzalez@trade.gov)  
501-324-5794

**Eric Johnson, Senior International Trade Specialist**  
[Eric.Johnson@trade.gov](mailto:Eric.Johnson@trade.gov)  
501-324-6544

*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.***

**NATIONAL EXPORT INITIATIVE**

Learn more at [www.export.gov](http://www.export.gov).



**ALL BUYUSA.GOV SITES ARE NOW AT EXPORT.GOV**

Exporter information that was on BuyUSA.gov has now moved to [Export.gov](http://Export.gov).

**TAKE YOUR BUSINESS GLOBAL**

❖ Inc., AT&T, and the U.S. Small Business Administration have compiled an array of video success stories from small business exporters and interviews with expert trade specialists. These videos will present you with various tips and suggestions for maneuvering in the global marketplace. Gain that international edge on the competition!  
Click [here](#) to access all of the instructional videos that are offered.

**UPCOMING WEBINARS & EVENTS**

**WEBINAR: Doing Business with Bombardier Aerospace**

*May 16, 1:00 pm Central*

Bombardier Aerospace is the world's third largest aircraft manufacturer, specializing in business and commercial aircraft. In the last 4 years, Bombardier has launched four new exciting aircraft platforms: the C Series, Challenger 7000, Challenger 8000 and Learjet 85. Learn more about business opportunities with Bombardier and how you can expand your sales to the firm. Cost: \$75

[http://export.gov/canada/eg\\_ca\\_047806.asp](http://export.gov/canada/eg_ca_047806.asp)

**WEBINAR: Taking Advantage of NAFTA**

*May 16, 3:00 pm Eastern*

Participants will learn to qualify their U.S.-manufactured products to obtain benefits under the North American Free Trade Agreement & how to comply with recordkeeping responsibilities. Cost: \$15

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q4T>

**Electric Power 2012**

*Baltimore, MD*

**May 15-17**

Focused on the needs of the power generation industry, this conference features more than 500 speakers & panelists and covers both business & technology issues. Attendees will have access to 150 industry experts, as well as buyers & specifiers from around the world.

[http://export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=32252&InputType=EVENT](http://export.gov/eac/show_detail_trade_events.asp?EventID=32252&InputType=EVENT)

**WEBINAR: Understanding Export Controls**

*May 23, 2:00 pm Eastern*

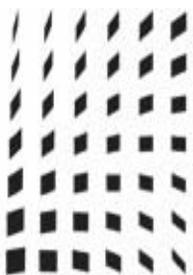
Know the law controlling what you can export & to whom. Learn the legal & practical aspects of dual-use items; trade sanctions; and sales to foreign militaries.

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q4R>

**WEBINAR: How to Protect Your Intellectual Property Abroad**

*May 23, 3:00 pm Eastern*

Protect your global business activities & learn what you need to know including the why & how of patent, trademark, copyright protection overseas, how to decide where to put limited corporate resources, plus common mistakes to avoid. Cost: \$15



## DRUPA 2012

**Where:** Düsseldorf, Germany

**When:** May 3-16, 2012

[www.drupa.com](http://www.drupa.com)

print media messe  
**drupa**

düsseldorf, germany  
[www.drupa.com](http://www.drupa.com)

3.-16.5.2012

DRUPA is the world's largest & most important fair for the print media, publishing & converting industry. The last fair in 2008 featured 1,971 exhibitors from 52 countries; 390,000 visitors from 140 countries (59% from abroad) & 3,000 journalists from 84 countries visited the events

Within the framework of DRUPA 2012, the U.S. Commercial Services will offer **no-cost services for U.S. exhibitors** to support sales efforts in Europe:

\*\*Contact Nils Roeher at [nils.roeher@trade.gov](mailto:nils.roeher@trade.gov) to register



**A WORKSHOP FOR SMALL BUSINESSES  
ENTERING INTERNATIONAL MARKETS**

Learn how hundreds of American small businesses have used Overseas Private Investment Corporation (OPIC) finance & insurance products to gain access to emerging markets overseas. Discover how you can take advantage of all the products OPIC has to offer to expand internationally while supporting growth at home. Participants will also hear from other U.S. government agencies that offer programs such as market research, international partner search, & trade finance.

Since 1970, OPIC has supported nearly \$200 billion of investment in thousands of projects in more than 150 countries around the world, generating \$74 billion in U.S. exports.

### Upcoming Workshop Dates:

- 1) **May 10**--Sheraton New Orleans (New Orleans, LA)
- 2) **June 27**—Hilton New York (New York City, NY)
- 3) **Oct. 3**—Grand Hyatt Seattle (Seattle, WA)
- 4) **Oct. 8**—Embassy Suites Chicago (Rosemont, IL)

\*\*Click [here](#) for more information about this event

\*\*Click [here](#) to register

## UPCOMING WEBINARS

### WEBINAR: Completing Certificates of Origin—FTA and eCertification

*May 30, 3:00 pm Eastern*

Participants will learn when Certificates of Origin are required, for what countries, and for what products. This webinar covers the basics of Cos under free trade agreement, and completing eCertification. Cost: \$15

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q50>

### WEBINAR: NAFTA Series—Roles and Responsibilities of the Importer, Customs Broker, and Freight Forwarder

*June 13, 2:00 pm Eastern*

Understand how an importer, customs broker, & freight forwarder will export your product & how you can benefit from their expertise and services. Learn what information, documentation, & requirements are needed when working with these individuals.

Cost: \$25

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q7L>

### WEBINAR: Financing Your Exports and Getting Paid

*June 13, 3:00 pm Eastern*

No export deal can be considered successful until payment reaches your account. Learn from trade finance experts about the range of payment methods used in export transactions & how to evaluate which is best for your business.

Cost: \$15

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q4U>

### WEBINAR: Temporary Exports—Carnets & Other Tools

*June 27, 3:00pm Eastern*

Take advantage of temporary importation provisions. Utilize ATA Carnet, Temporary Import Bond, duty drawback, or other approaches that may fit your business situation. Cost: \$15

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q4V>

**\*\* To find more targeted events & webinars, click [here](#)**

## How to Avoid the Broad Nature of Violations of the EAR

**Margaret Jones Hopson**

Partner

Jackson Walker L.L.P.

Email: [mhopson@jw.com](mailto:mhopson@jw.com)

(First of a 3 Part Series)

**Introduction:** It is a common misconception that only companies dealing internationally in military, high tech or otherwise sensitive goods and technology have export compliance exposure. U.S. export controls affect a wide range of international transactions, and in addition to traditional exports, extend to activities that are wholly domestic and not readily recognized as international. Exporters can and must understand and comply with the obligations that apply to their activities.

The full reach of export controls is beyond the scope of this series. Rather, this series is intended to provide a basic understanding of the Export Administration Regulations (EAR),<sup>1</sup> in 3 instalments: 1) the many ways in which the EAR may be violated; 2) elements of an effective compliance program; 3) dealing with potential violations.

**Enforcement of the EAR:** The EAR regulates the export of dual use items, items with an ordinary commercial use that may also be put to some sinister use against the United States. Parties involved in transactions subject to the EAR because they have: information on these transactions; authority to carry them out; or actual involvement in them must comply with the EAR. This may include freight forwarders, carriers and consignees, in addition to exporters. The EAR applies not only to parties in the U.S., but also to persons in foreign countries who are involved in transactions subject to the EAR.

**Consequences of Violating the EAR:** Violating the EAR can result in criminal and administrative penalties. Willful violations may result in both criminal and administrative consequences. For most administrative violations, there is no intent requirement. Civil penalties are the greater of \$250,000 or twice the value of the transaction. Criminal violators may be fined up to one million dollars and/or up to 20 years in prison. For both civil and criminal violations, a denial of export privileges may result.

**Major Enforcement Areas:** The EAR may be violated in many ways, including some lesser known:

### EDITORS:

Eric Johnson: [Eric.Johnson@trade.gov](mailto:Eric.Johnson@trade.gov)

Patrick Fields: [Patrick.Fields@trade.gov](mailto:Patrick.Fields@trade.gov)

Office: 501-324-6544

**Commerce Control List (CCL) Based Controls:** If an item has a specific export control classification number (ECCN), you must determine if a license is required to export that item to the country of destination, based on reasons for control.

**Failure to Observe License Conditions:** You must comply with conditions of each export license, which may restrict the way an item is used after export, or may require certain reports by the exporter.

**Deemed Export Rule:** The release of technology subject to the EAR to a foreign national in the U.S. is "deemed" to be an export to the home country of the foreign national, and may require a license.

**State Sponsors of Terrorism:** The U.S. maintains broad export controls against countries designated to be state sponsors of terrorism, the most common example being Cuba. Exports to these countries may require authorization from the BIS or OFAC.

**Freight Forwarders:** Freight forwarders or other agents for exporters are responsible for their actions, including the representations they make on export documents.

**False Statements:** False statements regarding an activity subject to the EAR, such as that an export does not require a license, are likewise prohibited.

**Antiboycott Violations:** U.S. persons are prohibited from complying with unsanctioned foreign boycotts, such as the Arab League Boycott of Israel, and must report the receipt of certain boycott requests to BIS.

**Successor Liability:** Businesses can be held liable for violations of the EAR committed by companies that they acquire. A thorough due diligence review can determine whether an acquired company has violated any export laws, and should examine the company's export history and compliance practices.

**Conclusion:** The far reaching nature of the export control laws in the United States generally, and the many ways in which an unwary exporter can violate the EAR, specifically, can be overwhelming. However, by understanding the many ways in which the EAR may be violated, exporters can comply with obligations that apply to their activities. Stay tuned for a discussion of elements of an effective compliance program and what to do if you discover potential EAR violations.

**Coming June 2012:**

**Second in the 3 Part Series - Principles of an Effective Export Compliance Program**