



PROFESSIONAL ASSOCIATION OF EXPORTERS & IMPORTERS



PAEI
16th Annual Membership Meeting
Wednesday, December 3, 2003
5:30 PM to 7:30 PM

Biltmore Hotel and Suites
2151 Laurelwood Rd
Santa Clara, CA 95054
(408) 988-8411

**Come network, meet friends
and other members**
**Plenty of fun, food, beverages and
exciting door prizes**
No host bar
A no-cost event for members only.

You must RSVP to attend.

To: Karen Hebert
fax- (408) 274-7611
email – khebertdms@aol.com

For questions please call
Lydia Bostillo at (408) 536-2070

Special Thanks to George R. Tuttle III

PAEI thanks George R. Tuttle III and Tuttle Law for presenting another successful Advanced Customs seminar series.

The seminar was a wonderful educational opportunity for the import community and attendees responded very positively to the presentations and the quality handouts. Board Member organizers Dan Kromat and Giselle Perez remarked that there was an excellent turnout and the catered, late night meals were enjoyed by all.

Because George Tuttle has donated so much of his time giving quality seminars for PAEI members and the trade over the years, the PAEI board has unanimously voted to recognize his achievements by bestowing Tuttle Law with PAEI membership in perpetuity.

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RIGHT EMPLOYEE!**

We'll advertise them free of charge!

**Advertise your job
openings with P.A.E.I.!**

**Detailed instructions on how to post jobs are
available at [Http://www.paei.org/](http://www.paei.org/)**

Visit our web site for meeting
details, membership information, and
valuable trade resources.

<http://www.paei.org/>

P.A.E.I. NEWSLETTER

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Publisher; Karen Hebert, Direct Mail Services

*Articles for publication, letters to the editor, and requests for
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fcabral@lsil.com, or on diskette to the P.A.E.I. PO Box in
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San Jose, CA 95161-2743
(408) 532-PAEI**

Solid Wood Packing—New Rules Effective April/May 2004

By Dan Kromat, PAEI Director

Importers can expect new requirements concerning the importation of wood packaging material by April or May 2004. Well, don't worry too much, at this point April or May 2004 is still a target date. At least this is not as bad as the new Prior Notice requirements for all modes of transportation and the Prior Notice requirements for all food and food products.

The Animal and Plant Health Inspection Service (APHIS) is currently finalizing the Rule based on comments to its Draft Rule. APHIS is encouraging all importers to meet the conditions of Draft Rule which requires that all solid wood packaging material (SWPM) must be either heat treated or fumigated with methyl bromide, as well as marked with an approved international mark certifying treatment, prior to importation into the U.S. SWPMs are usually defined as: dunnage, crating, pallets, packing blocks, drums, cases, and skids.

APHIS has stated that under the final rule, only a paperless marking symbol would be required to be on the subject SWPM. No paperwork, certifications, or importer documents would be required to accompany shipments with SWPM(s).

The proposed regulations would adopt international standards entitled, "Guidelines for Regulating Wood Packaging Material in International Trade," that were approved by the Interim Commission on Phytosanitary Measures of the International Plant Protection Convention (IPPC) of March 15, 2002. The new international standards also call for wood packaging material to be either heat treated or fumigated

with methyl bromide and marked with an approved international mark certifying treatment.

Those of you who thought this might affect your exports are correct, as these changes could eventually affect many of the countries you export too! The IPPC currently has 120 member countries, however, as of June 2003, they still needed 36 more countries to sign on before this would take force in all the countries that are members. Some of the major trading countries already signed on are: Argentina, Australia, Canada, Costa Rica, Spain, Sweden, USA, and Uruguay.

APHIS issued its proposed rule on May 20, 2003, therefore you should be able to find it in the Federal Register. Additional information is available on the U.S.D.A. Web site @ <http://www.aphis.usda.gov> (check under "solid wood packing materials").

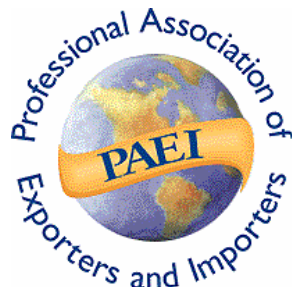
(This article prepared by Dan Kromat, Manager Customs Compliance, a Licensed Broker working for KSI Corporation in South San Francisco, CA. He can be reached at dan.kromat@ksicorp.com, or 650-228-7155.)

PAEI Members Get Involved!

The P.A.E.I. Newsletter is a publication that is written by its many members. If you have an article you have written that you would like to be included in the next newsletter, please contact Dan Kromat at dan.kromat@ksicorp.com.

The PAEI Board of Directors is always interested in offering the education our members need. If you want to suggest a topic for a future course, please contact one of the PAEI Board members.

The PAEI Board looks forward to hearing from its valued members!



Professional Association of Exporters and Importers
“Leaders and Partners in Worldwide Regulatory Compliance”

Brown Bag Meeting

**FedEx SED/AES Filing Capability
& Future Developments**

Speakers:

Marc Amaral, FedEx IT & Alan Smith FedEx SED Initiatives

- FedEx’s position regarding the filing of SED Data via AES Upcoming
- FedEx IT developments addressing customer’s needs in the new regulatory environment.

Date: Wednesday, December 03, 2003

Time: 12 Noon TO 1:30 PM

Location: ATMEL Corporation

2325 Orchard Parkway, San Jose, CA 95131

For further information, please contact Jo-Anne Daniels @ (650) 726-6764.
PLEASE BRING YOUR LUNCH, ATMEL DOES NOT HAVE A CAFETERIA.

Directions to ATMEL: 101 South to Trimble exit. Right onto Orchard Parkway. Go to the front lobby. **From 87 North:** take ramp towards 1st Street. Make a left onto Orchard Parkway. Go to the front lobby.

Please e-mail your RSVP to Jo-Anne Daniels @ tra3332003@yahoo.com .

Yes, I will attend the PAEI “Brown Bag Meeting” on Wednesday, December 3, 2003.

NAME: _____ COMPANY _____

TELEPHONE NO: _____ EMAIL: _____ NUMBER ATTENDING: _____

PAEI MEMBER? YES ___ NO ___ PROSPECTIVE MEMBER? _____

EU Poised to Impose \$4 Million in Additional Duties on U.S. Exports

By Dan Kromat, PAEI Director

The European Commission (EU) approved a proposal for additional duties on certain U.S. exports in connection with the World Trade Organization (WTO) dispute regarding the U.S. Foreign Sales Corporation & the Extraterritorial Income Exclusion Act which has provided a tax savings for U.S. exporters for many years. The WTO approved retaliation for \$4.043 million dollars.

Beginning March 1, 2004, the EU would impose additional duties starting at 5% in the first month and increasing 1% each of the following months to a high of 17% in March of 2005.

Forty-four Harmonized Tariff chapters are affected. These include 1, 2, 4, 5, 7, 8, 10-12, 15-17, 19- 21, 23, 33, 34, 35, 41- 44, 48, 49, 52, 54, 57, 61-64, 69-74, 76, 82-85, and 95.

The breakouts are by eight digit reporting numbers. Some chapters appear more heavily hit than others. For example chapter 48 has 76 eight-digit breakouts, chapter 61 has 78 breakouts, chapter 62 has 100 breakouts, chapter 63 has 49 breakouts, chapter 70 has 63 breakouts, chapter 72 has 128 breakouts, chapter 73 has 81 breakouts, chapter 84 has a whopping 175 breakouts, chapter 85 has 104 breakouts, and chapter 95 has 52 breakouts.

If congress fails to repeal the existing Extraterritorial Income Exclusion Act or fails to offer the EU an acceptable replacement, it is likely that the onerous new additional duties will be in effect as proposed, March 1, 2004.

If you would like additional information on this matter, please contact Dan Kromat at (650) 228-7155 / or email dan.kromat@ksicorp.com.

(This article prepared by Dan Kromat, Manager Customs Compliance, a Licensed Broker working for KSI Corporation in South San Francisco, CA. He can be reached at 650-228-7155 or dan.kromat@ksicorp.com.)

Summary of article on

Recent Changes Regarding Export License Control

By Rajat P. Kuver, PAEI Member

Under the “deemed export” regulations, giving controlled technology to a foreign national located in the United States is deemed equivalent to exporting that controlled technology to a foreign country. This area of the law reflects a convergence of export rules with immigration law. Although export specialists have expertise in export regulations, they may be unfamiliar with immigration law. Questions which often arise include, who is considered a “foreign national”; are “green card” holders subject to the deemed export rule and; which department of the government is in charge of enforcing the deemed export rule? In order to protect companies from serious criminal and civil penalties and to ensure that a foreign national employee is not deported from the United States, it is imperative that export specialists become aware of some basic aspects of immigration law and procedure. This essay will provide export specialists with a “crash course” on some of the issues involved where export rules intersect with immigration matters.

The full article is written by Rajat P. Kulver and Daniel C. Horne and is available for viewing at

<http://www.paei.org/ExportArticle.pdf>

The European Union May Retaliate Against U.S. Steel Safeguards

By Dan Kromat, PAEI Director

In March of 2002, the United States imposed temporary safeguard tariffs and tariff based quotas on imports of ten types of steel products under Section 201 of the U.S. trade law.

The European Union (EU) could retaliate as early as December 6, 2003, because their complaint was upheld by the WTO's Appellate Body. This could mean additional European duties on selected U.S.-origin products worth approximately \$2.2 billion dollars. The WTO complaint was brought by many other countries, including Brazil, China, Korea, New Zealand, Norway, Switzerland, and Japan. Apparently, Japan is also putting together a list of U.S. exports, which could be subject to retaliation in the steel dispute. Japan will likely notify the WTO of its final list by the end of November, 2003.

If retaliation begins in December 2003, additional duties would be assessed on goods in 96 HTS headings. A list of U.S. products that could be subject to additional duties is available at: <http://tinyurl.com/wpyg> Most of the additional duties are assigned by eight-digit HTS code and are at the 30% level.

While representatives of the U.K. express hope that the EU would be willing to deal on the steel issue, the EU in general does not sound in a compromising mood. According to news sources, the White House and several large U.S. steel makers reviewed a possible compromise that would cut the current 24% tariffs on subject steel to 16% immediately, 8% in March 2004, and "0%" in the fall of 2004. At this time prospects for a compromise do not look promising. The U.S. may scrap the steel safeguards at the last minute (12/5/03) to avoid the WTO approved retaliation by the EU and other countries.

WTO press release and Appellate body report is available at: <http://www.wto.org/index.htm>

Mark Your Calendars!

- **December 3, 2003 (12 -1:30pm)**
Brown Bag Meeting
- **December 3, 2003 (5 - 7:30pm)**
16th Annual Membership Mtg.

PAEI/BIS Upcoming Programs

- **January 21, 2004**
"Essentials of Export Controls"
- **January 22, 2004**
"Technology Controls Course"
- **May 10-11, 2004**
"Complying with U.S. Export Controls"
- **August 10, 2004**
"Export Management Systems"
- **September 23-24, 2004**
"Complying with U.S. Export Controls"

Watch our web site

<http://www.paei.org/>

for these and other events.



**The Bureau of Industry and Security
And
The Professional Association of Exporters and Importers
are proud to offer:**

“Essentials of Export Controls”

January 21, 2004

8:30 A.M. - 4:30 P.M.

At the

Biltmore Hotel and Suites

2151 Laurelwood Road

Santa Clara, CA 95054

(408) 988-8411

This is an intensive, one-day seminar program that covers the key information you need to know to comply with the Export Administration Regulations (EAR). This fast – paced program is ideal for those with busy schedules or who have some familiarity with the export system. The workshop will offer hands on learning exercises and includes:

- BIS will explain the structure of EAR
- Focusing on the scope and steps that determine the export licensing commodity
- Using Technical data or software
- When to export or reexport without applying for a license
- How to apply for an export license or an export control classification number (ECCN)
- The clearance procedures and recordkeeping requirements
- How export controls are enforced

This comprehensive seminar is designed for exporters, freight forwarders, carriers, international trade consultants, attorneys, and others who support and advise exporters. If your organization is involved in technology-related industry, this seminar is a must.

Counseling and other professionals from the Bureau of Industry and Security (BIS) will cover the major elements of the U.S. export control system for commercial exports. The instructors will be available throughout the seminar to answer your questions on how the export regulations affect the export activities of your organization or client.

The Western Regional Office of the Department of Commerce, Bureau of Industry and Security is a State Bar of California approved MCLE provider. The amount of credit varies with the length of the seminar, however, 0 hours will apply to legal ethics/law practice management; prevention, detection and treatment of substance abuse and emotional distress; and elimination of bias.

Note: Americans with Disabilities Act: If special arrangements are required for a disabled individual to attend this program, please notify the contact person at least one week prior to the program.

ACCOMODATIONS

Please make your reservations directly with the Biltmore Hotel and Suites by calling (408) 988-8411. Please mention "PAEI" to obtain a discounted rate of \$109 for the Garden rooms and \$129 for the Suites.

QUESTIONS?

For more information on the details of the program, please call BIS at (949) 660-0144, or (408) 998-7402 or PAEI (408) 532-PAEI (7234) or email at khebertdms@paei.org. You may also visit the web sites of PAEI <http://www.paei.org/> or BIS <http://www.bis.doc.gov/> for more information.

REGISTRATION **No telephone or fax reservations please.**

Advance registration is required for the Seminar and space is limited. Breakfast, lunch, coffee breaks, and training materials will be provided. No refunds for cancellations made after Friday, January 16, 2004.

You may register for this seminar and pay by credit card in a secure environment on PAEI's web site at <http://www.paei.org/>. We accept Visa/Mastercard only through the PAEI web site. We are no longer able to accept AMX payments. Online registration must include the name of the attendee and their email address.

To pay by check, please send your check (payable to the Professional Association of Exporters and Importers, PAEI) in the amount of **\$195** to PO Box 612743, San Jose, CA 95161-2743. PAEI's Tax ID Number is 680117035. All registrations must be postmarked no later than January 12, 2004. A confirmation email will be sent to all paid registrants to verify that their registration is complete.

Please complete one registration form for each attendee. Please print clearly.

Attendee Name: _____

Job Title: _____

Company Name: _____

Street Address: _____

City, State, ZIP: _____

Phone: _____ Fax: _____

E-mail: _____ Check No. _____

PAEI Member: YES NO (circle one) Membership Number: _____

January 21, 2004 "Essentials of Export Controls"



**The Bureau of Industry and Security
And
The Professional Association of Exporters and Importers
are proud to offer:**

“Technology Controls”

January 22, 2004

8:30 A.M. - 4:30 P.M.

At the

Biltmore Hotel and Suites

2151 Laurelwood Road

Santa Clara, CA 95054

(408) 988-8411

This full-day seminar program will offer a comprehensive look at how to comply with the U.S. export and re-export controls relating to technology, software and encryption.

The morning portion will cover:

- Regulatory requirements relating to technology and software
- What is considered an export, or reexport of technology or software
- What technology and software is subject to the Export Administration Regulations
- How to determine the Export Classification Number
- What license exceptions are available
- The unique application requirements of technology and software

BIS technical and policy specialists will also discuss important export control issues that may arise in the employment of foreign nationals and for foreign items incorporating, or produced from, controlled U.S. – origin software and technology.

The afternoon will focus on the latest developments in encryption controls and the unique provisions related to encryption under the EAR for both software and hardware.

Topics covered by BIS Encryption Specialists:

- How the new provision for 64-bit “mass market” encryption may apply to products that you use, sell or buy
- License exception provisions for encryption source code (open source and proprietary)
- Short –range wireless products and technologies
- Provisions for U.S. subsidiaries and for U.S. – origin encryption parts and components incorporated into foreign products
- Revisions to encryption notification and reporting requirements
- And other encryption technology issues

The Western Regional Office of the Department of Commerce, Bureau of Industry and Security is a State Bar of California approved MCLE provider. The amount of credit varies with the length of the seminar, however, 0 hours will apply to legal ethics/law practice management; prevention, detection and treatment of substance abuse and emotional distress; and elimination of bias.

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To pay by check, please send your check (payable to the Professional Association of Exporters and Importers, PAEI) in the amount of **\$195** to PO Box 612743, San Jose, CA 95161-2743. PAEI's Tax ID Number is 680117035. All registrations must be postmarked no later than January 12, 2004. A confirmation email will be sent to all paid registrants to verify that their registration is complete.

Please complete one registration form for each attendee. Please print clearly.

Attendee Name: _____

Job Title: _____

Company Name: _____

Street Address: _____

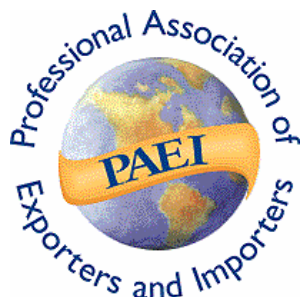
City, State, ZIP: _____

Phone: _____ Fax: _____

E-mail: _____ Check No. _____

PAEI Member: YES NO (circle one) Membership Number: _____

January 22, 2004 "Technology Controls"



WATCH US GROW!

August 2003

New

Jasbir Banwait XICOR, INC

Renew

Bill White White Consulting

Joannie Montagne

September 2003

New

Linda Mills Jet Propulsion Labs

Tim Davis Solectron CA Corp

Renew

Maria Edith Legaspi LSI Logic Corp.

Terry Tuohy LSI Logic Corp.

Fatima Gaudamuz-Cabral LSI Logic Corp.

Sharon Ma LSI Logic Corp.

Mike Boucher Infineon Technologies

Jim Harrington Infineon Technologies

Sally L Steel Open Harbor, Inc

Anne van de HeetKamp Open Harbor, Inc

Arny Peteren Solectron CA Corp.

October 2003

New

Michelle Gutierrez Cal Eastern Labs

Sergio Virelas Cal Eastern Labs

Cynthia Hall

Graham Napier TRADEBEAM, INC

Tim House TRADEBEAM, INC

Renew

Peggy Williams FedEx

Robert Kearlsey PricewaterhouseCoopers

John Montalto Advanced Fibre Comm.

Jane Watkins Varian, Inc

Kivi J. Walonen Varian, Inc

November 2003

New

Mark Utley Fujitsu Compound
Semiconductor

Lewis Facundo Renesas Technologies America

Adela Springer Varian Medical Systems

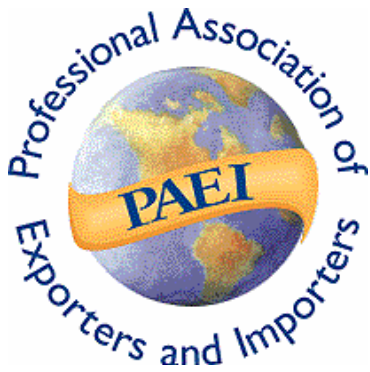
Anthony Noguerras Alliance Int'l CHB, Inc

Renew

Darcy Spangle Fujitsu Compound
Semiconductor

Pamela Harbell Renesas Tech. America

Lynette Sequeira NextLinx Corp



P.A.E.I. Membership Information

The Professional Association of Exporters and Importers is an organization of professionals involved in import/export activities. Objectives of the association include promoting and fostering the role of the import/export professional, providing on-going education relative to regulatory issues, exchanging information and enhancing industry's participation in import/export control issues and policies.

P.A.E. I. sponsors quarterly luncheon meetings with featured guest speakers, a bimonthly newsletter, networking and job placement opportunities.

P.A.E.I. membership represents both large and small companies in the high-technology community. Membership is open to all persons interested in personal and professional growth in the international arena. Two types of memberships are available and are valid for one year from date of payment. For more information call the PAEI Message Center at telephone (800) 930-PAEI.

Complete this application and return it along with your check. **Make checks payable to: Professional Association of Exporters & Importers, P.O. Box 612743, San Jose, CA 95161-2743. PAEI's TAX ID NO: 680117035.**

Check Membership Choice:

_____ \$50.00 Individual _____ \$150.00 Corporate*

Name: _____

Title : _____

Phone: _____ **Fax:** _____

E-mail: _____

Company/Corporate Name: _____

Mailing Address: _____

City, State and Zip: _____

***Corporate members please indicate second name:**

2nd Name: _____

Title: _____

Phone: _____ **Fax:** _____

E-mail: _____

How did you hear about P.A.E.I.? _____