

# Commercial Diplomat

## International Commercial Diplomacy Forum

### Trade Compliance Center Helps U.S. Companies Overcome Barriers In Foreign Markets

By Kevin M. Ellis

The U.S. Department of Commerce's Trade Compliance Center (TCC) is responsible for the monitoring and enforcement of U.S. trade agreements and is the U.S. Government's one-stop shop for helping American exporters facing foreign trade barriers. Its objectives are to help inform American firms about their rights under U.S. trade agreements and to help resolve trade barriers they face in foreign markets.

The Trade Compliance Center was created in 1996 to focus efforts and resources on systematically monitoring, investigating and evaluating foreign compliance with multilateral, bilateral, and other international trade agreements. In this role, the TCC was designed to comple-

ment the role of the U.S. Trade Representative (USTR) in negotiating trade agreements, following a three-year period in which more than 200 market-opening agreements had been concluded. In February 1998, former Commerce Secretary William Daley announced the launching of a new online database containing the text of these agreements and a "Hotline" service that allows U.S. exporters, especially small and medium-sized firms, to file market access and trade agreement complaints online, thereby turning the Trade Compliance Center into a trade "complaint and resolution" center as well. The TCC On-Line website, [www.mac.doc.gov/tcc](http://www.mac.doc.gov/tcc), now contains a searchable database of almost 300 trade agreements, Exporter Guides,

and other market access news and information relevant to U.S. exporters.

In addition to its "Hotline" complaint service, Commerce's Trade Compliance Center gathers information about potential problems from all the Department's worldwide network of 158 international offices in 85 countries and 105 Export Assistance Centers throughout the United States, its industry and country desks, other agencies, such as the Office of the U.S. Trade Representative, and directly from U.S. businesses. When the on-line database was launched, a Compliance Liaison program was established that includes private sector trade association representatives who report on trade problems their  
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### Fox's Foreign Trade Policy: What Can Be Expected?

By Alejandro Martinez-Zurita

Vicente Fox's election as President of Mexico, after 71 years of a single party regime, provides much insight into Mexico's foreign trade policy for the next six years. Mexico's trade policy has been very dynamic since 1994 under the Salinas and Zedillo administrations, whose accomplishments include the conclusion of the North American Free Trade Agreement (NAFTA) as well as several bilateral and regional free trade agreements (FTA) with the "Northern Triangle" countries (Guatemala, El Salvador and Honduras), Colombia, Venezuela, Costa Rica, Chile, Israel, and the European Union. Additional FTA negotiations are underway with Japan, Singapore and the Members of the Euro-

pean Free Trade Agreement.

As a former CEO of Coca-Cola Mexico and known promoter of free trade and commerce, President Fox will be expected to maintain Mexico's orientation toward more market opening free trade agreements. Moreover, he will assume power after an election that helped to legitimize Mexico's democracy in a period of greater economic growth and political stability. Fox has indicated that he will give special priority to modernizing Mexico's economic structure, increasing non-oil exports, promoting foreign investment, and integrating small and medium industry into international commerce.

Strategically, Fox has voiced support for hemispheric integration with visits to Central, South

and North America in support of the Free Trade Area of the Americas. His message has supported the benefits of regional cooperation and strengthening regional policies in what he considers the most important areas: democracy, human rights, reduction of economic disparity as well as fighting corruption.

Fox is a proclaimed pro-NAFTA partisan and has even broached the possibility of a future common market in North America, with the peso tied to the US dollar. In order to promote better economic cooperation and to equalize income differentials with the United States and Canada, he has proposed to increase the resources of the Inter-American Development Bank to finance infrastructure projects in

*The Commercial Diplomat is the quarterly newsletter of the International Commercial Diplomacy Forum, an alumni organization of the Monterey Institute of International Studies designed to enhance member's knowledge of a cross-sector of current and emerging international trade policy issues. It is a network that brings Commercial Diplomats to the forefront of international trade policy.*

## Alum in the Spotlight: Jennifer Jahnke

*Jennifer Jahnke* is a recent graduate of the Monterey Institute of International Studies with a Masters of Arts in Commercial Diplomacy. Jennifer was accepted to the Presidential Management Internship (PMI) program in March 2000. In June, she began a position as an International Economist with the Department of Labor (USDOL), where she works in the Office of International Economic Affairs (OIEA) Trade Policy Division.

As part of her portfolio Jennifer worked on implementation issues of the African Growth and Opportunity Act (AGOA). She conducted research to determine whether potential beneficiaries comply with labor related eligibility requirements. In order to benefit from preferential trade treatment under AGOA, countries must make efforts to eliminate the worst forms of child labor and work towards establishing internationally recognized

worker rights. In August, Jennifer traveled on behalf of USDOL, to Tanzania, Kenya and Uganda where she met with government officials and reported on labor-related eligibility requirements under AGOA.

Currently, Jennifer is working on trade and environment issues, labor-related cases as they apply to GSP benefits; she also continues to follow up on implementation of AGOA.

## Packaging and Labeling Requirements

*By James Golsen*

New packaging and recycling laws in foreign markets are a growing concern for US exporters concerned with their ability to sell abroad. A number of countries, particularly the European Union (EU), have passed laws in the past ten years meant to make packaging materials environmentally friendly, thus requiring US exporters to comply with new domestic regulations.

One example of such requirements is the European Union's Packaging and Packaging Waste Directive that entered into force in 1994. This is one example of many attempts to harmonize national standards on waste packaging and reduce the overall impact

of packaging and packaging waste on the environment. Despite the harmonized standards, EU members state implementation of the Directive has been inconsistent, creating confusion for US exporters. The Directive covers a variety of packaging (paper, cardboard, glass, plastic and metal) and sets a target date of 2001 for both recovery and recycling of waste by member states (2006 for Greece, Ireland and Portugal). The Directive requires member states to ensure that 50-65% of all waste is recovered from the waste stream and between 25-45% is recycled.

In 1996, the European Commission proposed an additional Directive to establish marking re-

quirements for products to indicate the use of recyclable or reusable packaging. The United States expressed two concerns with this Directive. First, the new marks differed from marks used in the United States and in the International Standards Organization (ISO). As a result, packaging, marketing and distribution operations will face unnecessary and costly complications for both U.S. and European firms wishing to sell their products abroad. Second, the Directive would prohibit the application of existing marks. This requirement is likely to pose a particular problem for glass and

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## Alum on the Move

-**Mary Anne Ball** (Rose) (97), is working as a Case Writer at Stanford University in the Stanford Law School's Program in International Law, Business and Policy.

-In October, **Jason Buntin** (98) participated in the Working Party meetings on Saudi Arabia's accession to the WTO. He also accompanied Deputy USTR Sue Esserman to Berlin, Paris and London to discuss the US-EU transatlantic economic relationship.

-In May 2000, **Maggie Chien** (99) began working in the Public Affairs Office of the President of the Taiwan High Speed Rail Cor-

poration in Taiwan, where she is responsible for establishing and maintaining communication with the public.

-In December 2000, **Anne Dawson** (99) traveled to Taipei, Taiwan, for U.S.-Taiwan Sanitary-Phytosanitary and Agricultural Standards consultations. She also participated in an International Symposium on the WTO Agricultural Negotiations.

-**Branco Gal** (98) has moved to a Czech brokerage company BH Securities in Prague as a financial analyst. He also writes for several major Czech newspapers, commenting on economic outlooks

for industry and international markets.

-In September 2000, **S. Anthony Grasso** (00) joined the US Department of Commerce's Import Administration, where he investigates antidumping and countervailing duty cases.

-This past fall, **Heather Grell** (98) participated in WTO TBT Committee Meetings in Geneva, where the USG concluded the Second Triennial Review of the TBT Agreement. Later she traveled to Brussels to participate in US-EU industry standards dis-

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## Market Access (continued)

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members are facing.

Once a compliance issue has been identified, the TCC pulls together all parts of the organization to address the problem, including industry and country experts, legal experts, analysts responsible for antidumping and countervailing duty measures, Commerce and State Department staff located in U.S. Embassies and missions overseas, analysts who specialize in particular issues, such as customs or intellectual property rights, and other U.S. agency officials as needed. The Department's Compliance Program aims to resolve problems through "compliance advocacy" aimed at having the foreign

country come into compliance voluntarily, saving the time and effort required in formal dispute settlement. These efforts include letters, phone calls, meetings, Embassy visits, and demarches as appropriate to solve the particular problem.

Commerce's Trade Compliance program has been successful in this approach. Recently, the European Commission agreed to modify a proposed motorcycle driving license directive, removing an engine size restriction, which would have severely limited U.S. exports of motorcycles to the European Union, the largest foreign market for U.S. motorcycle exports. In another case,

Korea agreed to amend its tire safety inspection procedures after recent changes made it much more burdensome to test and certify imported tires.

*Kevin Ellis is Director of Monitoring at the Department of Commerce's Trade Compliance Center.*

### \*\*Job Notice:

**Possible job openings at the United States Trade Representative.** In the last budget cycle USTR was authorized to hire 25 new employees. Be on the lookout for job announcements in the next few months.

## On the Move (continued)

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discussions and brief Embassy Officials on the progress in the TBT Committee meeting.

-In October 2000, **Steven Hatley** helped organize and participated in the Second Western Hemisphere Transportation Initiative (WHTI) Minister's Roundtable meeting at the Inter-American Development Bank, as well as the US Department of Transportation's International Transportation Symposium in Washington

D.C.

-In June 2000, **Tetsuya Ishizuka**, (00) joined the International Development Center of Japan in Tokyo, where he researches development issues.

-**Ashok Menon** (99) was on assignment this past fall in Jakarta, working with the Indonesian Ministry of Industry and Trade on the WTO Services and Agriculture negotiations and on telecom issues.

-**Stephanie Mikulasek** (00) is

working on Business Development at Palm, Inc. in the Silicon Valley. In 2001 she will be entering the Foreign Service.

-**Mike Nunes** (98) is researching a proposal for USTR for the Express Services negotiations to be presented at a December WTO Services meeting.

-In January, **Matt Stephens** (01) was the Monterey coordinator for the January 2001 California Trade Council for International Trade Congressional Forum at MIIS.

-**Jill Stoffers** (00) accepted a position as MBA Student Relations and Program Coordinator for the Fisher Graduate School of International Business at MIIS.

-In September 2000, **Neal Wavra** (00) accepted a position with the US Department of Commerce's Trade Compliance Center. He covers the WTO Import Licensing Procedure Agreement, WTO Dispute Settlement, Section 301 and WTO accessions.

## Mexico (continued)

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and private funds in order to invest in human capital development in the poor areas of Mexico, where the majority of the potential migrants to the United States live. Both proposals would help to fight poverty and discourage the exodus of illegal Mexicans to the North.

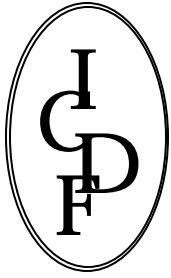
According to Fox, "[I]t is not about an obsession of profit and utility, but by placing special emphasis in joint development, effort coordination, human progress and welfare [we can define in a broad way, what can be expected in a reinvigorated Mexican economy and polity]."

*Alejandro Martinez-Zurita R., is a 1999 MACD Graduate. He is currently the Sub-Director of Investigations at the Federal Competition Commission Mexico.*

## FALL Speakers

*ICDF provides a forum for Commercial Diplomats and key trade officials in the Washington D.C. trade community to network and discuss the profession and practice of trade policy. This past fall, alumni met with:*

- **Timothy Hauser**, Deputy Undersecretary for International Trade at the International Trade Administration, Department of Commerce.
- **Honorable Peter S. Watson**, former Chairman of the U.S. International Trade Commission and currently Counsel to Pillsbury Winthrop. Mr. Watson serves as a Senior Advisor at the Center for Strategic and International Studies (CSIS).
- **Fred Montgomery**, recently retired Assistant United States Trade for Inter-Governmental Affairs. Mr. Montgomery will be teaching a module in Commercial Diplomacy at the Monterey Institute in Spring 2001.



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### Packaging *(continued)*

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plastic containers, as it would require companies to create new molds solely for use in the European market. Discussions underway in the ISO may help resolve this problem, since the Commission has indicated its willingness to review the final ISO standard.

Another troublesome labeling regime is the Eco-Label for environmentally friendly goods, which gives industry incentives to use environmentally-responsible packaging, to assist consumers in making purchasing decisions, and to reward producers of "green" goods by helping increase their market share. However, as with other attempts to harmonize member state regimes, member states have maintained separate labeling requirements, creating additional barriers to trade for US exporters. For example, while it is not legally required for sale it is almost impossible to market products in Germany without the carrying the

German "Green Dot" recycling symbol. Because of the many variations in packaging and labeling requirements, it is often times a challenge for US companies to comply on an EU-wide basis. These variations can also create a competitive disadvantage if packaging requirements do not meet their buyers' domestic standards. The best solution to these problems will be an internationally recognized labeling regime. Until that time, US exporters can expect to face increasing use of separate labels for different markets.

*Jim Golsen, a 1998 Commercial Diplomacy from the Monterey Institute, works in the International Trade Administration's Office of Technologies.*

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### Trade Events/Announcements

- The Judicial Review Commission Report on Foreign Asset Control**, Monday, February 12. American Bar Association, 740 Fifteenth Street, NW, 9th Floor, Call 202- 626- 3463.
- Globalization and the Manufacturing Sector**, Tuesday, February 13, 12:00 p.m. - 1:30 p.m. 2168 Rayburn House Office Building, U. S. House of Representatives, RSVPs are required. Please call 202-326- 8573.
- China Confidential: American Diplomats and Sino-American Relations**, 1945-1996, February 13, 6:40 p.m. - 8:15 p.m. Asia Society Washington Center, 1800 K Street NW, B-1 Conference Level. Please contact the Asia Society at 202- 833-2742, or visit <http://www.asiasociety.org>.
- The Swedish EU Presidency, the Future of Europe & the Transatlantic Dynamic**, February 15, 12:00 p.m. - 2:00 p.m. The Hotel Washington, Parkview Room, 15th Street and Pennsylvania, Avenue, N.W. For more information contact Lisa Schroeter at 202-822- 4769.
- Commercial Diplomacy Happy Hour**, February 22, 6:00 p.m. at M&S Grill.
- Customs Speaks: International Enforcement of Intellectual Property Rights**, February 28, 12:00 p.m. - 1:30 p.m. The Army & Navy Club on Farragut Square, 901 17th Street, NW. For more information call 202- 785- 4444.
- Monterey Institute of International Studies Alumni Reception**, Washington D.C., March 1, 6:00 p.m. Call Courtenay for more details at 202-463-8493.