



Two shippers settle export-control cases

Two U.S. exporters recently agreed to pay fines totaling more than \$360,000 to settle charges by the U.S. Commerce Department that they violated export-control regulations.

E.D. Bullard of Cynthiana, Ky., will pay a \$330,000 civil penalty over allegations that it shipped thermal-imaging cameras without licenses. The cameras were exported to Austria, the Czech Republic, France, Germany, Israel, Spain, Switzerland and Venezuela in violation of Export Administration Regulations.

Bullard GmbH, the company's German subsidiary, also agreed to pay a \$36,000 civil penalty to settle charges that it resold, re-exported and transferred thermal-imaging cameras to Austria, France and Switzerland in violation of U.S. export controls.

The Commerce Department's Bureau of Industry and Security charged that Bullard and its German subsidiary committed 61 violations of the Export Administration Regulations between February 2000 and March 2002. The agency said the company lacked the proper licenses. The company was also charged with making false statements on shippers' export declarations in

connection with many of the shipments.

Elan Pharmaceuticals in South San Francisco, Calif., agreed to pay a \$31,000 civil penalty to settle charges that it exported biological toxin to Belgium between May 2000 and April 2002 without proper licenses.

U.S. export controls on biological toxins are part of the U.S. government's obligation as a member of the Australia Group, a multilateral regime whose members want to curb the proliferation of chemical and biological weapons.

BIS said Elan voluntarily disclosed the violations and cooperated fully in the investigation. ☀

WTO probes Boeing-Airbus

The World Trade Organization has created panels to investigate illegal subsidies allegedly paid by the European Union and U.S. to rival airplane makers Airbus and Boeing.

The WTO's dispute settlement body agreed to set up the panels after the U.S. and EU both went forward with a second request, a month after each side blocked one another in routine bureaucratic maneuvering.

The move sets into motion what could become the costliest and highest-profile case in the 10-year history of the WTO.

The U.S. has argued that Airbus has used massive amounts of EU and member state subsidies to capture more than half of the world's civil aircraft market at the expense of Boeing.

The EU then filed a counter-complaint, claiming that Boeing continues to benefit from huge subsidies in violation of international trade agreements.

The complaints reactivated a legal process at the WTO that was frozen when the EU and the U.S. entered negotiations at the beginning of the year. ☀

Customs installing 90 radiation detectors at Los Angeles-Long Beach

Customs and Border Protection by the end of the year will scan every container imported through Los Angeles-Long Beach for radiation as part of a nationwide effort to intercept materials that could be used by terrorists to produce weapons of mass destruction.

Customs has installed 14 radiation portals in Los Angeles-Long Beach and will have 90 in operation by the end of the year. Some 12,000 containers, or 44 percent of all U.S. oceanborne imported containers, move through Los Angeles-Long Beach each day.

The portals are designed to help the agency fulfill its goal of ensuring maximum security at ports of entry without slowing down the movement of legitimate cargo.

The highly-sensitive monitors detect the presence of nuclear and radiological materials in vehicles and containers, but their use will be transparent to importers.

It takes less than 10 seconds for a truck to pull a 40-foot container past a monitor.

There are about 540 radiation portals in use nationwide at seaports, border crossings

and other ports of entry; Customs intends to scan 100 percent of the containers entering the country for radioactive materials.

The monitors are so sensitive that they can detect harmless levels of radiation from legitimate imports, such as ceramic tiles. Customs Commissioner Robert C. Bonner said about 1 percent of all imports emit radiation.

Customs is still developing its policy for scanning containers that move by rail, including those handled at on-dock rail yards. Patrick Simmons, customs' national program manager for radiation portals, said the preferred strategy is to scan the containers in a staging area before they are loaded on to a train. If necessary, Customs would be able to deploy top-pick machines to remove containers from a train and send them to a secondary inspection area if necessary, he said.

Bonner said that radiation portals are one of many measures his agency deploys in a layered approach to security that stretches back to the loading docks in foreign countries. ☀