



Dear Betty Sue,

Confidence, California is the home of American ingenuity ready to go global!! We design and manufacture the soon to be famous Diva-On-Demand state of the art camera for professional photographers. Of course, it comes with faux leopard carrying case.

We receive inquiries daily from around the world. We are ready to start shipping internationally today but our freight forwarder put up a big YIELD sign. He says we might need an export license? He gave us a copy of The Riddle of the Exporter™ workbook (excellent workbook by the way) and sent us to Step 5-Compliance. It says that we need to ask four questions: what is the product; where is it going; who is it going to and how will it be used? That's a lot to answer! Do we really need a license for this automatic air brushing camera?

Signed Arnie Leibovitz  
Inventor of the Diva-On-Demand Camera

\*Disclaimer: The names of exporters and their stories have been changed to protect their identity. The names and expertise of our advisors are very real and often understated. The story is funny, the advice is authentic.

Dear Arnie and all the good folks in Confidence, California,  
Isn't it exciting to invent, design and sell—all from the good ol' U.S.A. We always want to encourage companies to sell overseas but we agree with your freight forwarder- slow down and do it right. As my mama always said "tackle trouble before trouble tackles you."

Glad you are using the workbook. The one thing Earnie Earl and I believe in as strongly as hot dogs and fireworks on the 4<sup>th</sup> of July is that we always call the experts. In this case, our expert is Cesar Reyna of Trade Consulting Services. Cesar is a real "go-pro" in assisting companies with all of their compliance needs. We asked Cesar to take us through the next steps to determine if you need a license.

Signed,  
Betty Sue Export Queen, looking forward to my very own Diva-On-Demand photo session

Dear Arnie,

Betty Sue is right, you always want to make sure you have all of your t's crossed and your i's dotted before you export.

The Export Administration Regulations, EAR, is the regulation you will want to comply with when exporting your camera. Determining the Export Control Classification Number (ECCN) for your product is one of the most important steps for exporting. The ECCN is a 6 digit alpha-number that tell us what the product is and why it is controlled. The ECCN along with the country, end-use and end-user will help you determine if a license is required to export your product.

After reviewing your specifications and consulting the Commerce Control List, (CCL) we have determined that your camera is controlled under EAR99. EAR99 is used to control items that are not found in the Commerce Control List and is generally used for low-level technology products and will not usually require a license.

Wait a minute; don't get too excited just yet...there are still other steps you need to take even when exporting EAR99 products.

Now that you know your product is controlled under EAR99 you still have to determine if you are exporting to an embargoed or sanctioned country, to a prohibited end-use or a prohibited end-user. Betty Sue calls this checking the "Bad Guy Lists".

The list of embargoed and sanctioned countries can change so the best source is to check Supplement Number 1 to Part 740 to find a list of the Country Groups and review Country Group E. If you are shipping to any of the countries found on this list, give us a call and we can go from there.

Anytime you export the camera you should verify that the parties involved in the transaction are not considered parties of concern on the "Bad Guy Lists". The Department of Commerce provides a great resource that allows you to check your parties at <http://apps.export.gov/csl-search#/csl-search>. If the companies you are doing business with come up in one of these list you should place your transaction on hold until you verify if the party you are doing business with is the same party that comes up on the list. There are several lists this resource checks and depending on the list it could mean that the export is prohibited, a license would be required or there is a red flag associated with this company. Be sure to document that you have performed this screening as part of your due diligence process by printing a copy of the results for your records.

Lastly, you have to ask yourself if the end-use is prohibited. Start out by going through the General Prohibitions (Part 736 of the EAR), the General Prohibitions will walk you through some of the things we just talked about and will refer you to Part 744 of the EAR to determine if your product is going to a prohibited end-use. Some of the prohibited end-uses include if your camera will be used for nuclear activities or for missile technology end-use but Part 744 will give you more details on this and other prohibited end-uses.

Now that we know your camera is going to France to Vogue Magazine for use in fashion shoots and we have screened all the parties involved, we can safely say that your camera does not need a license to export.

Good luck...viva la Diva-On-Demand Camera  
Cesar

#### Bio

Cesar Reyna is President and Founder of Trade Consulting Services, LLC, an international trade consulting company (TCS). Prior to establishing TCS, Cesar provided his import/export proficiency to several high profile global companies, tackling the defense, telecommunications and consumer-goods market. He successfully applied his expertise to L-3 Communications as an empowered official and as a subject matter expert at Affiliated Computer Services (ACS) as well as Pier 1 Imports. For the past 18 years, Cesar has worked in every aspect of the import/export arena gaining extensive experience with various U.S. trade regulations including the Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR) and U.S. Customs regulations. Cesar has also been a licensed U.S. Customs Broker since 2003

#### **PRACTICE AREAS**

##### **Import / Export & International Trade**

He is well versed in a wide sphere of expertise, including:

- Compliance Program Implementation & Training
- Commodity Jurisdiction
- Export Classification (USML, ECCN, USHTS and Schedule B)
- Policy and Procedure Creation
- Voluntary/Prior Disclosures