

THE WALL STREET JOURNAL.

\$1 A WEEK for 12 WEEKS SUBSCRIBE NOW

U.S. EDITION Monday, October 7, 2013 As of 7:35 PM EDT

Subscribe Log In

Home World U.S. Business Tech Markets Market Data Your Money Opinion Life & Culture N.Y. Real Estate Management

Seib & Wessel Politics & Policy Washington Wire Economy Health Law Rollout WSJ/NBC News Poll Journal Report Columns & Blogs

MOST POPULAR IN WSJ

1 of 12  **Paul Ryan: Here's How We Can End This Stalemate**

2 of 12  **Tension Ratchets Up in Debt Battle**

3 of 12  **Obamacare**

 **Yellen Known to Push Fed's Policy Boundaries**

U.S. NEWS | October 7, 2013, 7:35 p.m. ET

Federal Government Shutdown Starts to Crimp Trade

Importers, Exporters Can't Get Approval to Ship Computer Gear, Lumber, Steel

Article Stock Quotes Comments (26)

MORE IN US »

Email Print Save

Facebook Twitter Google+ LinkedIn

A A

By BETSY MORRIS, DON CLARK and MIKE ESTERL [CONNECT](#)



Bloomberg News

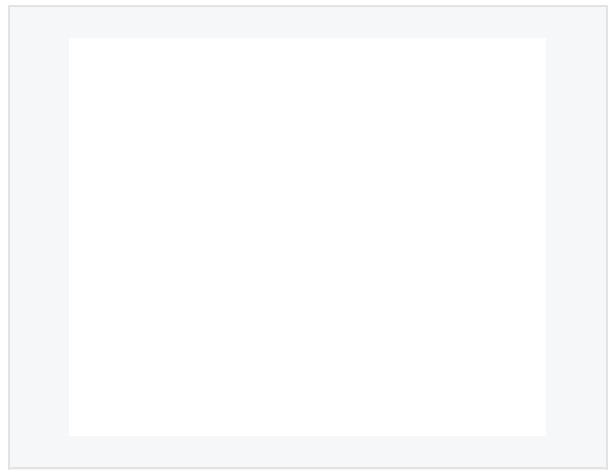
Ships in Newark Bay in New Jersey. The shutdown has slowed trade.

The U.S. government's partial shutdown is beginning to gum up trade.

All pesticide imports to the U.S. have been halted, according to the Environmental Protection Agency, which must approve them but has had more than 90% of its staff furloughed. Some U.S. technology companies can't fill overseas orders because they cannot obtain U.S. Department of Commerce authorization to export. Steel imports are stranded at customs-clearance warehouses awaiting paperwork.


"It's a mess," said Marianne Rowden, president of the American Association of Exporters and Importers.

Related More than 40 government agencies,



SYNC. TRACK. DECIDE.

SYNC YOUR BROKERAGE ACCOUNTS. GET ALL THE MOST IMPORTANT HEADLINES FOR YOUR HOLDINGS. **USE PORTFOLIO NOW »**



Available to WSJ.com Subscribers

Meltdowns Hobble NSA Data Center

Tense Negotiations Inside Fed Produced Muddled Signals



Past Rifts Over Greece Cloud Talks on Rescue



USDA Data Freeze Has Meat Market Adrift

including the EPA, the Department of Agriculture and the Department of Commerce, are involved in trade shipments, said Ms. Rowden. Fourteen agencies have "release and hold" authority that trumps clearance from U.S. Customs and Border Patrol, she said.

Yet while Customs is largely staffed during the shutdown, many of the other agencies have pared staffs and closed websites.

It is unclear how widespread the problems are or how many industries are affected. But trade is an increasingly important engine of the \$15 trillion-plus U.S. economy. U.S. exports last year rose 4.4% to \$2.196 trillion and imports grew 2.7% to \$2.736 trillion. The Commerce Department says nearly 10 million American jobs are supported by exports.

Applied Materials Inc., AMAT -1.23% one of the largest makers of computer-chip manufacturing equipment, believes the lapse in routine export approval "could affect our ability to ship products to certain markets," said spokesman Kevin Winston. "Pending applications and future submissions are on hold."

Last Thursday, a website run by a Commerce Department bureau suddenly shut down on Beth Peterson, president of BPE Global, which advises importers and exporters on compliance with regulations. She was trying to apply for export authorization for a client. "We knew right away" the exporter faced a problem, said Ms. Peterson.



The Bureau of Industry and Security site is used by sellers of high-tech goods that are subject to export controls, particularly those with encryption capabilities that could interfere with the government's intelligence-gathering. Licenses often

are required to export equipment used to make semiconductors, particularly advanced chips that can have military applications.

Cisco Systems Inc., CSCO -0.77% and Juniper Networks Inc., JNPR -2.67% require export authorization for some of their networking gear, for example. A spokesman for Juniper said it hadn't yet been affected but could be if the shutdown persists. Cisco declined to comment.

The export approvals sought Thursday by Ms. Peterson of BPE Global would have assigned a tracking number required for an invoice. For affected companies, the setback "is significant," Ms. Peterson said. "This is the final quarter of the year. They can't get authorization for their new products. They can't complete transactions. They're worried about revenue recognition. It impacts their stock, their profitability," she said.

She estimated that a week-long shutdown would affect about 60% of her clients.

In 2012, the Bureau of Industry and Security processed 23,229 export license applications for transactions valued at about \$204.1 billion, according to a study by American Shipper magazine.

Meanwhile, the EPA has stopped clearing pesticides for importation. "Without EPA's review and approval of forms demonstrating that the pesticides have been properly registered, the products will not be cleared for entry into the United

Europeans Import U.S. Mortgage Models



\$1 A WEEK FOR 12 WEEKS

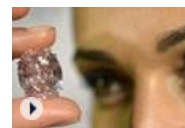
SUBSCRIBE NOW

Don't Miss

[?]



Why Democrats Are Dug In on Shutdown Impasse



Sotheby's to Auction 'The Pink Star' Diamond



New York's Most Iconic Photograph Explained

More in US

- Tense Negotiations Inside Fed Produced Muddled Signals
Young Americans Fare Poorly on Skills
Meltdowns Hobble NSA Data Center
Top Bankers Warn on U.S. Debt Proposal
Beijing Urges U.S. to Avoid Default

Popular Now

What's This?

- 1 Advertisers Say Twitter Needs More Users
2 Opinion: John McCain: He Beat Us in War but Never in Battle
3 Meltdowns Hobble NSA Data Center
4 Top Bankers Warn on U.S. Debt Proposal
5 Debt Ceiling Is Taking Center Stage In Impasse

Show 5 More

SPONSORED LINKS

SUPER PC Multiple Monitor
The Original Multi-Monitor Store! Buy Multi-Screen Computers &

States," Alisha Johnson, a spokeswoman for the agency, said in an email.

U.S. annual expenditures on pesticides total about \$12 billion, with imports accounting for around 15% of that, according to the EPA.

"We have a substantial amount of pesticides coming in the next weeks and we don't have a solution," said Vincent Iacopella, chief operating officer of [Janel World Trade Ltd.](#), [JLWT +17.78%](#) a logistics company and customs broker. Pesticides will sit at ocean terminals, at rail ramps or be held in warehouses if the bottleneck isn't cleared, he said.

The problems have begun to affect steel imports as well.

Lisa Goldenberg, president of Delaware Steel Co. of Pennsylvania, a distributor and steel trader in Fort Washington, Pa., said steel is being waylaid in customs-clearance warehouses in Baltimore and Newark, N.J., pending issues such as permits to allow it to enter the country.

"It's sitting there waiting for paperwork," Ms. Goldenberg said. "It's in limbo."

In Mobile, Ala., trucking executive Tommy Hodges can't move a load of furniture-quality lumber out of his warehouse for export until it is cleared by the USDA's Animal and Plant Health Inspection Service, to ensure the wood isn't bug-infested. But "there are no inspectors working," he said, at least none he could find.

That has caused Mr. Hodges, chairman of Titan Transfer Inc., to conclude that his wood inspection is "nonessential." But multiply his load by many others and "it's probably deemed more essential than a lot of people think," he said. "None of 'em in Washington have much of a clue about what happens in the Main Streets across the U.S. They live in La-La Land."

—John W. Miller contributed to this article.

Write to Betsy Morris at betsy.morris@wsj.com, Don Clark at don.clark@wsj.com and Mike Esterl at mike.esterl@wsj.com

A version of this article appeared October 8, 2013, on page A6 in the U.S. edition of The Wall Street Journal, with the headline: Federal Shutdown Starts to Crimp Trade.

Displays
www.Multi-Monitors.com

Local Businesses
Go To Local.com To Find Local Businesses And Services Near You!
Local.com

Press Release Marketing
Effective Affordable Distribution. Attract New Clients Now. Learn How!
publicity.24-7pressrelease.com/

Content from our Sponsors [?]



MONSTER

10 Signs It's Time to Find a New Job



EVOLVING SEO

This New Gmail App is Almost Too Good to Be True



OPEN FORUM

The One Thing You Should Do Before Bed, Every Night

JOIN THE DISCUSSION
26 Comments, add yours »

MORE IN US »

[Email](#) [Print](#) [Save](#) [Order Reprints](#)

[f](#) [t](#) [g+](#) [in](#)

SYNC. TRACK. DECIDE.

THE MOST IMPORTANT HEADLINES FOR YOUR HOLDINGS
USE PORTFOLIO NOW »

SPONSORED LINKS

Mortgage Rates Hit 2.87%

White House Program Cuts Up to \$1k off Monthly Payments! (3.12% APR)
www.SeeRefinanceRates.com

Warren Buffett Confesses

Warren Buffett's Shocking Confession Will Change your Investing Strategy
www.MarketTrendSignal.com

Dr. Oz Weight Loss Trick

Magic diet pill has people melting fat away. Voted #1 for 2013.
www.healthtrendsguide.com

The End Of Obama?

This looming scandal could ruin the 44th President and disrupt the...
StansberryResearch.com