



Global Watch®

THE NEWSLETTER OF THE INTERNATIONAL IMPORT-EXPORT INSTITUTE, EST. 1995
2432 WEST PEORIA AVENUE, SUITE 1026 PHOENIX, ARIZONA USA 85029

JULY/AUGUST 2005, VOLUME 7, ISSUE 4

Latin American Economic Outlook Bright

By Scott Miller
Washington File Staff Writer

Washington — Latin America’s economic outlook is as bright as it has been in many years, and the current economic expansion offers regional leaders the opportunity to deepen reforms and build on recent gains, according to International Monetary Fund (IMF) Managing Director Rodrigo de Rato.

In February 4 remarks to the Canning House in London, de Rato said global economic growth should remain robust in 2005. He pointed out that while growth in industrialized countries has slowed noticeably in recent months, Latin American growth has remained strong.

De Rato also pointed out that the region’s recent strong economic performance has been accompanied

by modest inflation — approximately 7 percent in 2004, with possibly lower inflation projected for 2005. The IMF official added that many hemispheric governments are harnessing the revenue from the region’s robust growth to reduce budget deficits and restructure debt.

Within this context, de Rato cautioned that although Latin America’s broad-based economic expansion should continue in 2005, the region’s positive outlook must not lead to complacency.

“We must recognize that, despite recent developments, difficult problems continue to loom,” de Rato said.

He cited high unemployment and poverty levels and severe income disparities as examples of these looming problems and noted, “the importance of continued and sustained reforms cannot therefore be overemphasized.” More importantly, de Rato said, a political consensus needs to be forged in many Latin American countries to support the policies that are essential to poverty reduction and growth.

Outlining challenges and opportunities for Latin America moving forward, the IMF official said regional policy-makers must maintain appropriate public debt levels, balance spending and capital investment, and keep inflation in check.

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Falklands : Slow to No Progress on South American Trade Talks

By J. Brock (FINN)

The South American press corps reported on the visit of President Kirshner of Argentina to Brasil to attend a summit of 33 countries and to meet with Brazil’s President Lula in order to help resolve trade disputes that have plagued both countries for some time now. Though there has been no progress in the negotiations over the commercial aspects of trade between Mercosur Countries, the gathering found a point on which they could agree – the Falklands.

Reports say that presently the Argentines are using diplomatic means to persuade other countries, including a number of Middle Eastern and Latin American ones, that the Falklands, South Georgia and the South Sandwich Islands should not be included in the proposed European Union (EU) Constitution as “British Antarctic Territories.” The document the Argentine claim is included in is called “Declaration of Brasilia.” Though this is a recent document, the disputed territories have been included in the proposed European Constitution for well over a year. And, what’s more, they have been a documented part of the EU for much longer than that.

What’s obvious is that the trade problems bringing 33 countries, including the Arab ones, together have not been solved during this very important meeting. Instead of wholly focusing on resolving these matters, a whole session focused on sovereignty, regarding the Falkland Islands, but also sanctioning the United States over its treatment of Syria. Said a spokesman from the British Embassy in Brasilia, “The position of the

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 Phoenix, Arizona, USA

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Notes from the Executive Director

A World of Activity

by Dr. Donald N. Burton



As usual there are many diverse topics included in GlobalWatch® For example:

South America and its economic outlook lead the issue, but other topics such as Boeing's clash with the U.S. State Department over dual-use of components used in commercial aircraft is spotlighted. This current edition is a tapestry of topics that has something for everyone.

Because of the intensified effort of South American countries to gain a foothold in international markets, it is the region of focus for this issue. As the lead article points out, the economic outlook is bright for the region. Production capacity in most industrial sectors within the region has advanced to the point it can support increased exports. With many of the countries attempting to get inflation under control, they see exports as a main ingredient of their economic recoveries. What this means to the rest of the world is South America is eager to do business and has the capacity to support the effort. The

challenge to the companies outside the region is in balancing the risks of forming alliances and the potential for high rewards with regional companies that may offer numerous advantages.

Boeing's publicity over the dual-use of chips used in its commercial aircraft re-surfaced recently and is sure to be the center of an ongoing debate for some time. What it tells us is that computer technology is advancing so rapidly that what is new today quickly becomes less sensitive to national security interests of any industrialized nation.

The long awaited details of the partnership between OCR Services and IIEI is here. IIEI is integrating OCR's full library of online services, that include up-to-date denied party screening, other similar information and related valuable resources, into the IIEI's online compliance courses. This is an incredible opportunity for students to see how easily computer technology can assist in screening trade shipments.

Enjoy this issue!

The next issue of
GlobalWatch® will detail
 the membership of the
 various committees of
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What is “Sustainable Development”

Courtesy Summit of the Americas Center

The term “sustainable development” first came into use at the World Union for Nature (UICN) conference in 1980. The term was defined as “development that satisfies the needs of the present generation without compromising the capacity of future generations to satisfy their own needs.” The concept was designed to emphasize the environment’s capacity to support a determined use; sustainable activities are those that do not exceed the load capacity of the natural system. The 1987 Brundtland Report (coordinated by former Norwegian Prime Minister Gro Harlem Brundtland) popularized this idea and its social, ecological and economic impacts.

Sustainable development involves three factors:

Natural resources and the ability to use them without undermining the equilibrium and integrity of ecosystems

The human factor, involving welfare, quality of life and cultural identity.

Economic-technological production, including aspects relating to the growth and efficiency of economic activities.

International financial institutions have introduced a focus on sustainable development in their projects and national development strategies, as well as the search for new techniques of analysis for environmental economics. In 1992, the same year as the UNCED Rio Earth Summit, the World Bank’s World Development Report focused on the links between development and the environment. The bank also created a Global Environment Facility to provide grant financing for activities that produce global benefits but are not justified on a more narrow national accounting basis. The Inter-American Development Bank (IDB) followed suit with a Sustainable Development Department.

Virtually all projects financed by international financial institutions, the United Nations or bilateral sources, such as USAID, CIDA, the European Union’s EDF or Japan’s JBIC, take into account the issue of sustainable development. International trade organizations such as the World Trade Organization are increasingly emphasizing the concept, although it is a challenge to incorporate it into current practices and regulations.

The private sector also has established organizations to coordinate and promote environmental protection, analysis and sustainable development. A few examples of these groups are the World Business Council for Sustainable Development and

INNOVA, which is based at the Monterrey Institute of Technology in Mexico. In addition, perhaps in no other area have non-governmental organizations (NGO) been so active and so numerous as in concern for and protection of the environment. These groups have formed the NGO Standing Committee for the UN Committee on Sustainable Development.

The most important single consciousness-raising event related to sustainable development within the Inter-American summit process was the 1996 Summit of the Americas on Sustainable Development in Santa Cruz, Bolivia. There, Heads of State adopted a Declaration and Plan of Action that among other points, supported the “broad participation by civil society in the decision-making process, including policies and programs and their design, implementation and evaluation” on a hemispheric-wide level.

Moreover, the 1996 Santa Cruz Summit led directly to the development and approval in 1999 of the OAS Inter-American Strategy for Public Participation in Environment and Sustainable Development Decision Making in the Americas (ISP link to: www.ispnet.org), which attempts to

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U.S. Bureau of Industry and Security Update

“Certified Empowered Officials?”

BIS Violation Announcements on the Rise

During the months of May and June 2005, the Bureau of Industry and Security (BIS) has listed ten new violations on their web site at: www.bis.doc.gov.

E.D. Bullard Company and Bullard Gmbh Settle Charges of Illegal Exports

The U.S. Department of Commerce (DOC) announced that E.D. Bullard of Cynthiana, Kentucky, agreed to pay a \$330,000 civil penalty to settle charges that it exported and re-exported thermal imaging cameras to Austria, the Czech Republic, France, Germany, Israel, Spain, Switzerland, and Venezuela in violation of the Export Administration Regulations (EAR). In addition, Bullard Gmbh, of Bonn, Germany 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 the EAR.

The DOC's BIS charged that Bullard and its subsidiary, Bullard Gmbh, committed 61 violations of the EAR between February 2000 and March 2002.

Maybe You Need a Different Approach

Notice the number of “household name” companies that have been penalized for violating the ever-changing export laws. They have huge trade compliance departments, training budgets and have been doing exports for decades. What does this tell you? In this dynamic environment, what is needed is an outsource that provides up-to-date, detailed training offered online such as the IIEI's accredited compliance courses.

\$700,000 Fine for Exporting Violations

The DOC announced that Wilden Pump and Engineering Co., LLC (Wilden), a company based in Grand Terrace, California, will pay a \$700,000 civil penalty to settle administrative charges that it violated the EAR in connection with unauthorized exports of diaphragm pumps from the United States to the Iran, Israel, People's Republic of China, Syria, and the United Arab Emirates without the required DOC export licenses.

BIS charged that, between 2000 and 2003, Wilden committed 71 violations of the EAR. Specifically, BIS found that Wilden committed 26 violations by exporting diaphragm pumps without

BIS - Continued on page 9



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Based on a variety of inputs, the Certification Board of Governors (CBG), Ethics & Professional Standards Committee (EPSC) will soon consider criteria and curriculum for an Empowered Official (EO) Certification. Initial discussions will take a broad-based perspective.

The program would produce an EO with compliance responsibility and understanding across the trade spectrum including the Export Administration Regulations, International Traffic in Arms Regulations, Office of Foreign Assets Control regulations, exports, imports, customs and a wide-range of related subjects. The program will focus on achieving a requisite level of knowledge in all the areas of emphasis to pass a comprehensive EO Certification Exam. Once certified, EOs would maintain their status by meeting annual Continuing Education Unit requirements.

As a practitioner in the field, your inputs are vital to help put together a top-notch EO Certification Program. The result will be professional EOs who really do know what they're doing and another established and well-defined industry standard recognized around the world.

If you have ideas, suggestions or comments on developing an EO Certification Program, please provide specific inputs to the CBG EPSC chairman at jpriecko@industrycertification.org. If you want to know more about the CBG go to:

www.industrycertification.org.

DDTC Update

Directorate of Defense Trade Controls

**The Boeing Company
clashes with the
U.S. Department of State**

“Guidance for Iraq and Afghanistan Cases”

Special expedited treatment is afforded US Munitions List (USML) shipments supporting U.S. and its allies’ efforts in Iraq and Afghanistan. To insure this rushed treatment said the November 2004 white paper, all license applications should be clearly marked. For D-Trade and EllieNet cases, the Transaction ID should begin with the letters “OIF” or “OEF” (OIF – Operation Iraqi Freedom – for Iraq, OEF – Operation Enduring Freedom – for Afghanistan).

Hard copy submissions should note OIF or OEF in the purpose block (Block 20 for the DSP-05; Block 21 for the DSP-73 and DSP-61). These should also include a bright color cover sheet indicating that the case is for OIF or OEF. All OIF and OEF cases will be referred to Angela Brown, the OIF/OEF Coordinator in DDTC.

It is important the supporting documentation be complete, including a complete copy of the contract or purchase order applicable to the proposed export. Include a reference to the contract number assigned by the U.S. Army Project and Contracting Office (PCO) (if applicable). The contract or purchase order should confirm the details of the submission, e.g. commodity, quantity, and end user. For exports to coalition partners, a letter should be included from the partner government confirming the

transaction and that it is in support of OIF or OEF. Be sure to include a copy of product specifications/descriptive literature that clearly details the commodities requested for export.

Under current circumstances, it is the policy of the U.S. Government (USG) to require end-use and retransfer assurances for all exports of defense articles to Iraq. For the time being, the applicant need not supply a DSP-83 for cases where the Iraqi Interim Government (IIG) is the proposed end-user. To legally satisfy the requirements of the Arms Export Control Act and International Traffic in Arms Regulations (ITAR), the IIG has supplied the USG with blanket end-use assurances, which will be used for the near future, without an accompanying DSP-83, for approved exports to the IIG. The application must have a cover letter that explains that the DSP-83 has not been submitted based on this understanding. For D-Trade submissions, this explanation should be included as a PDF file in lieu of the DSP-83. The USG will officially notify the IIG of all exports to Iraq approved on the basis of such assurances. No further action by the applicant is required. DSP-83s are required for Significant Military

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**DDTC Online
D-Trade Newsletter can be
found at:
http://pmdtc.org/dtrade_newsletter.htm**

Charging 94 violations that could possibly result in a \$47 million fine, the U.S. State Department alleges that The Boeing Company violated the Arms Export Control Act. State says Boeing sold commercial airliners to China and other countries without obtaining an export license. State’s concern is a tiny gyrochip that has defense applications that each plane contained.

**How should
the U.S.
protect
Dual-use
Technology?**

The central issue surrounding the allegations is does Boeing need a license when chips are commonly used for commercial applications as well as military use? Boeing believes this case is the result of an overzealous application of current export control regulations. But the real question facing industry is: How should the U.S. protect Dual-use technology?

In the State Department’s Directorate of Defense Trade Controls (DDTC) charging letter, DDTC claims that Boeing deliberately and repeatedly, even after being warned, continued to export the embedded QRS-11 chips without obtaining the proper licenses.

Other companies should take warning that if they export dual-use technology-- even if they intend it for use commercially-- they could be at risk too.

In Compliance....

EMPOWERED OFFICIAL IN NAME ONLY?

By: Lisa Caplinger and Fae Daniels,
FD Associates, Inc.

www.fdassociates.net

Companies worldwide are finding that in order to remain competitive, they must expand into the global marketplace. A company's international business activities may involve demonstrating, selling and exporting or transferring controlled technologies or equipment to foreign governments, foreign companies or foreign persons. Some companies' international activities involve purchasing components and parts from foreign vendors. Other companies are establishing offshore manufacturing facilities to take advantage of low-cost labor. Maybe your company never exports any hardware or technology, but frequently hires foreign nationals from other countries to work in your U.S. facilities where export controlled equipment is being produced. Any or all of these activities will require your company to comply with various export laws and regulations, in particular the International Traffic In Arms Regulations (ITAR) for the export of "defense articles" and "defense services", and the Export Administration Regulations (EAR) for exports of commercial and dual-use software, technologies and equipment.

While there are many benefits through participation in international trade, the U.S. Government expects that companies involved in exports and their supply chain be aware of and be compliant with all applicable laws and regulations. The penalties for non-compliance are becoming more significant, with high fines and mandated compliance programs

becoming the norm. Companies that run afoul of U.S. export laws and regulations are often required to establish a specific export control function within the company, variously referred to as an Empowered Official, Export Compliance Officer, or Technology Control Officer. Regardless of the name, the roles and responsibilities of the function are the same. For purposes of this article, we will use the term "Empowered Official" (EO) and discuss the specific requirements of the ITAR for EOs.

The ITAR authorizes EOs to sign licenses, agreements and other export authorizations on behalf of their company. An EO must also meet certain criteria as specified in the ITAR Section 120.25. Does your company EO meet the ITAR criteria for EO status?

Many companies have moved or are moving to an EO function that is broadly responsible for integrated trade compliance and administration. That is, the EO is responsible for trade related compliance actions including export, imports, customs and associated issues. For the most part that includes trade under regulations maintained by the Departments of Commerce, Defense, Justice, Homeland Security, State and Treasury.

Larger companies may have corporate offices, with EOs that oversee and provide guidance to various personnel in the company's business units throughout the U.S. (and

ITAR PART 120.25 EO REQUIREMENTS

An EO MUST be a US person [Note: A US person is defined as a: 1) US citizen; 2) permanent resident, or 3) protected person] who is directly employed by the applicant or a subsidiary in a position having authority for policy or management within the applicant organization. A company cannot designate a foreign person, consultant, freight forwarder, temporary employee or other third-party to be their EO.

An EO should be a person who is in a position to know about the company's international business activities. An EO should also be a person who is on-site much of the time, not someone who travels extensively. The responsibility for the company's export compliance should not be delegated to a person with an inherent conflict of priorities or interests (i.e. business development).

- An EO MUST be a senior employee, legally empowered by the company to sign license applications or other requests for approval. A written statement designating an EO MUST be on file and should be included with the company's trade compliance program. The Office of Defense Trade Controls Compliance (ODTCC) requires that companies provide them with a current list of their EOs.

- An EO MUST understand the provisions and requirements of the various export control statutes and regulations, as well as the criminal liability, civil liability and administrative penalties that may be imposed upon the company for violating the export regulations.

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IIEI TO OFFER STUDENTS MODERNIZED TRADE COMPLIANCE

By Gary R. Snyder
Vice President, OCR Services, Inc.

The International Import-Export Institute (IIEI) and OCR Services, Inc. (OCR) are combining efforts to provide modernized trade compliance processes in support of the U.S. exporting community. In the atmosphere following the events of September 11th, more rigorous and ever increasing compliance demands are placed on exporters to insure exports do not violate the law. Organizations involved in export transactions have a legal as well as a moral obligation to comply with government export regulations. OCR provides solutions that automate trade compliance and prevent organizations from unwittingly breaking the law. IIEI and OCR's combined efforts seek to assist companies in achieving full compliance with these laws.

With new government measures calling for penalties up to \$1 million per offense, and providing rewards of up to \$150,000 for information about non-compliance, organizations have strong incentives for taking the necessary steps to comply with the law. Negligence in this area can lead to criminal fines, civil penalties, cargo forfeiture, and negative public attention.

Beginning August 1st, IIEI and OCR Services will provide students who enroll in the Certified U.S. Export Compliance Officer[®] (CUSECO[®]) Program with unlimited access during their enrollment in the program to OCR's ViaNet Solutions, a web based automated export compliance portal. The Portal is designed in a series of inte-

grated modules to provide "Denied Party Screening", "Export License Determination", Regulatory Compliance", Department of State Licensing", "Department of Commerce Licensing", and "Export Documentation/Automated Export System (AES)". In addition, a complete suite of regulatory publications including the EAR and the ITAR will be available through the Portal in hard copy and online in PDF format with automated updates and email notifications of changes as they occur. ViaNet Solutions modules automatically screen all documentation for parties found on any of the denied parties lists. Using advanced matching technology, the Portal is a proven system used by the U.S. Government (USG), turnkey solution that enables organizations to fully comply with screening, identity verification and reporting regulations. By accessing the Portal in IIEI's online class activities, students will familiarize themselves with the new generation of trade compliance tools.

OCR was formed in 1981 to provide information technology services to USG and commercial clientele. The Company is based in Rockville, MD and maintains

offices in California, Boston and Philadelphia. The recognized pioneer in the field of trade compliance and automation OCR has a commercial client list of more than 200 companies including operational deployments at Fortune 500 companies across industry verticals. OCR is the leading export/import solutions provider for the defense/aerospace industry and is well represented in pharmaceuticals, e-commerce, and high-tech/manufacturing. A number of Federal agencies including the DOC, DOS, GPO, US Customs Service and the GSA currently use OCR products to meet internal compliance requirements.

In GlobalWatch[®] issues to follow, each of the OCR compliance tools will be explored. Portal "test drives" are currently available to GlobalWatch[®] readers at:

www.vianetsolutions.com/user/registration_vianetpage.jsp

About the Author

Gary R. Snyder is Vice President of Marketing for OCR Services. Mr. Snyder has more than 28 years of international business experience including an extensive background in development, marketing and sales of online services for the international business sector.

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Country Profile
Republic of Ecuador

The “Republic of the Equator”, located in western South America between Columbia and Peru, was one of three countries that emerged from the collapse of Gran Colombia in 1830 (the others are Colombia and Venezuela). Between 1904 and 1942, Ecuador lost territories in a series of conflicts with its neighbors. A border war with Peru that flared in 1995 was resolved in 1999. Although Ecuador marked 25 years of civilian governance in 2004, the period has been marred by political instability. Seven presidents have governed Ecuador since 1996.

Ecuador has substantial petroleum resources, which have accounted for 40% of the country’s export earnings and one-fourth of central government budget revenues in recent years. In the late 1990s, Ecuador suffered its worst economic crisis, with natural disasters and sharp declines in world petroleum prices driving Ecuador’s economy into free fall in 1999. Real GDP contracted by more than 6%, with poverty worsening significantly. The banking system also collapsed, and Ecuador defaulted on its external debt later that year. The currency depreciated by some 70% in 1999, and, on the brink of hyperinflation, the MAHAUD government announced it would dollarize the economy. A coup, however, ousted MAHAUD from office in January 2000, and after a short-lived junta failed to garner

military support, Vice President Gustavo NOBOA took over the presidency.

In March 2000, Congress approved a series of structural reforms that also provided the framework for the adoption of the US dollar as legal tender. Dollarization stabilized the economy, and growth returned to its pre-crisis levels in the years that followed. Under the administration of Lucio GUTIERREZ - January 2003 to April 2005 - Ecuador benefited from higher world petroleum prices, but the government has made little progress on economic reforms necessary to reduce Ecuador’s vulnerability to petroleum price swings and financial crises.

Source: CIA World Fact Book

**Ecuador
at a Glance**

- GDP:** ppp - \$49.51 billion (2004 est.)
- GDP - real growth:** 5.8% (2004)
- GDP - per capita:** \$3,700 (2004)
- Inflation Rate:** 2% (2004 est.)
- Labor Force:** 4.53 million (2004 est.)
- Unemployment Rate:** 11.1% (2004)
- Population:** 13,363,593 (July 2005 est.)
- Exports:** \$7.56 billion (2004 est.)
- Exports - Commodities:** petroleum, bananas, cut flowers, shrimp.
- Exports - Markets:** US 48.3%, Colombia 5.5%, Germany 4.8% (2004)
- Imports:** \$7.65 billion (2004 est.)
- Import Commodities:** vehicles, medicinal products, telecommunications equipment, electricity
- Import Partners:** US 24.5%, Colombia 12.7%, Venezuela 8.3%, Brazil 5.8%, Chile 4.9%, China 4.8%, Japan 4.3% (2004)
- Exchange Rate:** US dollar - 25,000 (2004)
- Internet Users:** 569,700 (2003)
- Internet Hosts:** 3,188 (2003)



FACT

Did you know that global trade is increasing 7% per year?

What could this mean to your business?

Source: WTO April 2002

Guidelines - Continued from page 5

Equipment (SME) exports to the Interim Government of Afghanistan.

For exports to other non-IIG end-users in Iraq (“private” end-users, e.g., international organizations and private contractors), signatures are required on a DSP-83 from the foreign consignee and from the end-user. For the near future, the requirement for the IIG signature on Block 8 of form DSP-83 will be satisfied by the IIG’s blanket assurances. The transmittal letter should also clearly state this.

U.S. companies should pay keen attention to the brokering requirements under Part 129 of the ITAR, and they may not begin such activities until they have the appropriate approvals on registration and licensing in place. Also, all sources should be completely described, including names, locations and addresses.

By following the guidelines discussed, USML shipments in support of efforts in Iraq and Afghanistan will be processed quickly.

Note: The Iraqi Intern Government has been replaced by the newly elected government.

Adapted from “Guidance for Iraq and Afghanistan Cases” Directorate of Defense Trade Controls Revised 11/04/04

Increase in Requests for CUSECO® Down Under

As a direct result of the new U.S.-Australia Free Trade Agreement and the desire to obtain more defense contract, the IIEI is seeing a huge surge of interest of Australian businesses and industry groups seeking the much coveted industry certification: Certified U.S. Export Compliance Officers®.

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the required licenses.

The size of the penalty assessed to Wilden is due to the significant number of violations, many of them with knowledge that the shipments were destined to an embargoed country. The diaphragm pumps exported by Wilden are subject to DOC’s EAR and the Department of the Treasury’s Iranian Transaction Regulations.

Wilden also agreed to be subject to a three-year denial of export privileges for items on the Department’s Commerce Control List. The denial will be suspended for two years provided that Wilden does not commit any violations of the EAR during the suspension period.

What would losing your export priveledges mean to your company?

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De Rato also said that globalization will present challenges that must be addressed. Despite bold trade liberalization efforts over the past decade, Latin America is still less open than other emerging markets, according to de Rato. He said that continued trade liberalization would be “crucial” to encouraging growth and that the greatest benefits would be gained from the completion of multilateral trade talks resulting in improved market access for key regional exports, such as agricultural products and textiles.

As trade liberalization moves forward, labor reforms will be increasingly important to Latin American nations, de Rato said. He added

Falklands - Continued from page 1

United Kingdom in relation to sovereignty over the Falkland Islands is well known. And, references to the Falklands as a British Overseas Territory have been clear since Britain joined the EU in 1971.”

No matter what side you are on over the emotive issue of sovereignty, the importance of the trade negotiations far surpasses any bravado about the Falklands. The real story, which many media entities failed to pick up on is the failure to agree on relevant trade issues. People wanting to do business with Latin America see the smoke screen for what it is but are hopeful that commercial problems can be resolved, as it would make trade easier if it could be done purely on business terms. Unification on a political issue like the Falklands doesn’t cut it with them. Resolving trade disputes does.

Source:www.sartma.com/artd_1624_05_2005_19.html

Courtesy Falkland Islands News Network

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abroad), in addition to designated EOs at each of these business units. Smaller companies may have only one point of contact for all export issues. Medium sized companies may only have an EO at the business unit level reporting to corporate legal as necessary. Smaller companies may not have the capacity or the need for a full-time person dedicated to trade compliance but are still required to designate a person with this responsibility. No matter what your organizational structure, or size, the EO criteria in the ITAR Section 120.25 remains exactly the same. Simply stated, an EO must be a senior employee who knows the penalties for violations of the various export regulations, is empowered in writing and has the authority to say “no” without reprisal, when no is the right answer. If your EO does not meet these criteria, they are “empowered” in name only.

When your company is designating an EO, consider the following: 1. When was the last time your EO attended training in trade compliance and how often will they be able to attend outside training annually? 2. Does your EO understand their responsibilities and are they willing to accept responsibility for the company’s trade compliance program? 3. What else is the EO responsible for that may take precedence over or conflict with trade compliance? 4. Does the EO really have the “bandwidth” to handle trade compliance at your company? 5. Does the EO need to travel frequently? If so, you should consider designating an EO back-up. 6. How much does the EO know about your company’s international business activities? 7. Will the EO have direct access to your

Chief Executive Officer and General Counsel? 8. Is the EO able to clearly explain trade compliance requirements to the rest of the company?

Consideration of the above issues will allow you to select the most appropriate person to be your EO. An EO who does not meet the ITAR criteria puts your company at risk for export violations. *Make sure that your EO is not an “EO in Name Only”!*

About the Authors

FD Associates is a specialist consulting services company providing companies guidance on the licensing and compliance requirements of the ITAR and EAR. Fae Daniels is President and Lisa Caplinger is VP, Compliance and Training.

They can be reached at: fdaniels@fdassociates.net and lcaplinger@fdassociates.net

Requirements - Continued from page 10

- An EO MUST receive export education/training, remain current on the regulations, and have the ability to ensure that all company personnel understand how the regulations apply to every business activity.

The ITAR also identifies that an EO is not someone who simply signs any document that is placed in front of them. An EO MUST have the independent authority to:

- Inquire into any aspect of a proposed export or temporary import by the applicant;
- Verify the legality of the transaction and the accuracy of the information to be submitted; and
- Refuse to sign any license application or other request for approval without prejudice or other adverse recourse.

Sustainable - Continued from page 3

oversee and channel civil society participation on the regional and national level. An implementation plan is in the making at present.

The Santa Cruz Summit was truly a major milestone for the participation of civil society organizations in the summit process. For the first time representatives of various nongovernmental organizations were given the opportunity to present their views to the Heads of State through speeches and written documents. Some countries even included civil society representatives in their delegations. Nevertheless, now, four years later, very little of the recommended action agenda that came out of Santa Cruz has been advanced upon by the nations of the region. Since the high water mark at Santa Cruz, environmental and sustainable development issues have seemed to lose ground among official governmental circles in the context of Inter-American System. Whether the new century will see their meaningful revival remains an open question.

Source: www.americasnet.net/development/

IIEI’s Asian Presence Expands

In an interview with Rick Oxford, IIEI’s Director of International Programs, he said the IIEI has a letter of intent and is very close to completing the formation of partnership program with the China Association for International Exchange of Personnel, an agency of the People’s Republic of China, to establish IIEI’s International Trade Certification Program throughout China.

WARNING

“Empowered Officials in Name Only” are an Endangered Species and targeted for Extinction by the USG.



Spreading the Word in Your Corner of the World

By Melissa Jensen

Perhaps because of my involvement with the Institute, my husband recently became interested in International Trade and decided to enroll in the IIEI's Exporting/Importing Environment (EXIM) course. Before he started this class, I used to talk to him about my work and what I was learning in the classes I take here. He would be attentive, but it was plain he didn't fully understand the impact of what I was saying. Just one week after starting EXIM, we had a long conversation about the many aspects of this diverse industry that I had tried to explain in the past. Suddenly he was passionately conversing with me about the importance of any employee within a multi-national company being fully aware of all the issues surrounding International Trade.

It got me thinking; if my husband's perspective was so drastically changed after just one week of our very beginning class, how much more would the impact be on professionals actually in the industry? Imagine if such a perspective

were held by each employee that works for your organization, regardless of the position they hold. No matter what a person's function, if that organization is in international trade, then he or she has an affect on the export process whether they realize it or not. As an IIEI student, you have the best opportunity to help get your organization on the same page by talking to your co-workers. Just taking the 201 class, Exporting/Importing Environment will give anyone a profound new found perspective on the impact your organization has on the world with your product or service. Imagine the benefit if every employee had to evaluate your organization's export readiness, and then later explain how your organization actually gets its product or service into the hands of foreign customers. Take the initiative and talk to your co-workers about international trade topics. Talk to your bosses and explain the importance and benefit of training all of your organization's employees, even if it just includes one class for awareness.

Fall Semester Starting Soon

If you have plans to pursue your bachelor degree in International Trade Management, time is short for entry into the Fall Semester, which starts September 8th. We suggest you complete admission requirements as soon as possible to

secure your place. Order your transcripts from previous attended schools early. They can take time to arrive. Contact your Academic Advisor for assistance at (800) 474-8013.

IIEI Certifications

Congratulations to the following on successful completion and recent award of the respective certifications.

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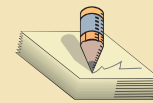
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Floccher, Roberta	Santiago, Adrian
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