



Global Watch®

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A SECURE EUROPE IN A BETTER WORLD

EUROPEAN SECURITY STRATEGY

Brussels, December 2003

“As a union of 25 states with over 450 million people producing a quarter of the world’s Gross National Product (GNP), the European Union (EU) is inevitably a global player... it should be ready to share in the responsibility for a global security and in building a better world.”

Having overcome the violence of the first half of the 20th century, there is an unprecedented period of peace and prosperity in Europe. While the Cold War has ended, there are still threats and challenges. “No single country is able to tackle today’s complex problems on its own... The increasing convergence of European interests and the strengthening of mutual solidarity of the EU makes us a more credible and effective actor. Europe should be ready to share in the responsibility for global security and in building a better world.”

This report from the EU in Brussels in December of 2003, outlines a strategy for security that will have global implications.

Threats and Challenges

“The post Cold War environment is one of increasingly open borders in which the internal and external aspects of security are indissolubly linked. Flows of trade and investment, the development of technology and the spread of democracy have brought freedom and prosperity to many people.” “Security is a precondition of development. Conflict not only destroys infrastructure, including social infrastructure; it also encourages criminality, deters investment and makes normal economic activity impossible. A number of countries and regions are caught in a cycle of conflict, insecurity and poverty.”

“Energy dependence is a special concern for Europe. Europe is the world’s largest importer of oil and gas. Imports account for about 50% of energy consumption today. This will rise to 70% in 2030. Most energy imports come from the Gulf, Russia and North Africa.”

Key Threats

EU member states no longer fear large-scale aggression. Instead, threats are “more diverse, less visible and less predictable.” These threats include terrorism, which is well funded, and increasingly well connected through electronic networks.

There are complex causes of terrorism identified by the EU report, ranging from modernization, social, cultural and political crises, and the alienation of young people. And it is acknowledged that Europe is both a target and a base for such terrorism. Missile technology and weapons of

mass destruction add to the increasing risks facing the EU.

“To defend its security and to promote its values, the EU has three strategic objectives.” First is addressing the threats, including the adoption of European Arrest Warrants, policies against proliferation, including programs to strengthen the International Atomic Energy Agency, commitment to achieving universal adherence to multilateral treaty regimes, export controls, intervention in regional conflicts, fostering democracy, and enabling authorities to deal with organized crime. The EU can contribute through political, economic, military, humanitarian and civilian crisis management.

Second, the EU must build security within their own neighborhood. “Even in an era of globalization, geography is still important...” The EU does not seek to control its neighbors, but rather work with them to create a stronger region. Cooperation is key when it comes to resolving regional conflicts, be it with neighbors or the Arab/Israeli conflict. And this cooperation must be global.

The third facet is an international order based on effective multilateralism. A commitment to International Law and the United Nations develops a stronger international community. And the EU cites the UN Security Council as having the “primary responsibility for the maintenance of international peace and security.” Other key institutions include the World Trade Organization (WTO) and international financial institutions. China has joined the WTO and Russia is negotiating its entry. The EU seeks to “widen the membership of such bodies while maintaining their high standards.”

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Diana Larowe, Editor-in-Chief

Notes from the Executive Director

Global Standards Taught Worldwide

by Dr. Donald N. Burton



Everyone worldwide is encouraged to measure by and teach to the standards established by the international trade industry's Certification Board of Governors (CBG). By striving to achieve these standards, everyone benefits as the knowledge and skills increase of all participants. And anyone can participate! No exclusions. Colleges, universities and training companies around the world already educate their students to the professional standards defined by the Ethics and Professional Standards Committee of the Certification Board of Governors, shouldn't you? This all-volunteer group from various government and industry sectors has worked very hard to carefully set the standards for the knowledge and skills required for professional proficiency for each certification. Individuals and organizations worldwide are welcome to use the standards.

The exact standards for all nine of the industry certifications are published at the CBG's web site: www.industrycertification.org. The page that links to detailed descriptions is: www.industrycertification.org/Certification_standards.htm. So what does this mean?

Once established as a standard, the topics and required outcomes are melded into suitable length training modules by the professional staff at the International Import-Export Institute (IIEI). A full range of statistical methods are used to validate the data sets. Once the process is completed, the course deliverables—what people must master—are then re-examined by members of the Standards Committee to insure the knowledge constructs contained in the course material meet the specific needs of the industry. From this material the test banks for the various certification examinations are developed. When there is agreement that the course outcomes deliver the knowledge needed, and the test developed measures those proficiencies, then the standards are published. If there is a commercially published body of knowledge (textbook) used, the title is noted along with the standards. Only approved training providers, who meet high industry standards, however, have access to the IIEI course materials and development notes in addition to the commercially available textbooks that anyone can obtain. However, any training organization, college, university or interested company is free to teach to the published standard using the assigned textbooks and their own training materials.

The Certification Board of Governors and its program administrator, the International Import-Export Institute, hope all trainers and companies strive to meet the established proficiency standards, whether they choose to become an approved trainer or develop their own training methods in support of the standards.

EU Focus

Changing Shape of the EU: *New Potential*

On May 1, 2004, ten countries became part of the European Union (EU). Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Malta and Cyprus joining the EU increases the population by 75 million people. The GOP of the new EU will be approximately US\$ 12 billion, making it the largest economy in the world, and representing 19% of global trade.

This provides incredible opportunities for those both inside and outside the EU. By joining the EU, the new member states adopt the standards established by the member states. Export-

ers to these countries deal with a single set of export and compliance regulations. Rather than 25 different sets of rules, EU membership simplifies it to just one. "One standard for all" benefits both the importer and the exporter.

For those with trade relations in new member states, these changes can provide gateways to trade in the rest of the EU. Also, the so-called acceding countries may experience lower tariff rates with their inclusion in the EU. It is expected that countries with tariff rates as high as 9% will drop to the EU average of 4%.

The ten new members are regions

of rapid growth, seen as a bridge to trade with Asia and have tremendous trade potential. Their inclusion means that there are now more ports, more warehouses and more options for those exporting goods to the EU. These exporters reduce their costs through these options. Standardization across Europe provides more opportunities, and more consumers, for those doing business in Europe.

For more information, go to: europa.eu.int/enlargement/index_en.html

EU Security -Continued from page 1

Regional institutions, including NATO, OSCE, the Council of Europe, ASEAN, MERCOSUR and the African Union also make important contributions.

"The best protection for our security is a world of well-governed democratic states. Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law and protecting human rights are the best means of strengthening the international order. Trade and development policies can be powerful tools for promoting reform."

The EU pledges to be more active, more coherent and more capable, and underscores working with others to achieve success. By pooling assets and expertise, the resources of member states go further and accomplish the prescribed objectives. Allies, and fostering stronger relationships with other nations is critical to this success.

An active and capable European Union would make an impact on a global scale. In doing so, it would contribute to an effective multilateral system leading to a fairer, safer and more united world.

The full text of the *EU report* can be found at www.expandglobal.com/library



CUSECO® Continuing Education Equivalents

In June 2002, the Certification Board of Governors set the requirement that all *Certified U.S. Export Compliance Officers*®, commencing one year after attaining certification, must complete two **IIIEI Export Compliance Update courses**, or equivalent training, equalling 10 Continuing Education Units (CEUs) each year to maintain certification. Specifically, the policy states that proof of taking these courses or equivalent training will meet this requirement. Generally accepted equivalent training is:

- ◆ **Society for International Affairs** (SIA) Two-Day Semi-annual Conference- 3.0 CEUs
- ◆ **SIA** One-Day Topic Specific Training Session, Seminar or Workshop- 1.5 CEUs
- ◆ **Bureau of Industry & Security (BIS)** Annual Update Conference- 3.0 CEUs
- ◆ **BIS** One-Day Seminar, Training Session or Workshop- 1.5 CEUs
- ◆ **Unz & Company** Full day export compliance seminar- 1.5 CEUs
- ◆ **Third-party consultive training**

upon review- CEUs to be determined

- ◆ **Corporate (in-house) export training**- upon review- CEUs to be determined
- ◆ **Other training** or courses may meet this requirement upon review.

If this continuing education requirement is not met, individuals are required to pass the *current* certification examination process to reactivate their certification.

The Export Compliance Update courses offered by IIIEI are self-directed study courses that contain all of the published changes to EAR and ITAR and other relevant regulations. In addition, they contain commentary and a discussion by a content area expert. To validate the learning, the last element of the IIIEI Update Courses is an "open book" multiple choice examination.

For more information on Continuing Education Requirements, call (800) 474-8013 or (602) 648-5750 or visit: www.usexportcompliance.com



The Certification Board of Governors

Raising and Maintaining Standards

By John Priecko, Chairman, Ethics and Professional Standards Committee

For years there were no standards for international trade administration and compliance practitioners. Instead industry and US Government (USG) suggested "Best Practices" that individuals and companies could choose to follow or not. In many cases, people and corporations did not get serious about compliance until they were investigated, indicted or convicted.

The Certification Board of Governors (CBG), a non-profit 501(c)(3) administered by the International Import-Export Institute (IIIEI) has changed that. The CBG exists to help validate trade professionals worldwide who meet, now very specific, industry standards.

A key entity supporting the CBG is the Ethics and Professional Standards Committee (EPSC). It is comprised of seven seasoned industry and USG volunteers who each serve two-year terms. The EPSC establishes ethical and professional standards that serve as the cornerstone of the certification process. The role of the EPSC is to monitor the global trade arena and help set the parameters as a foundation for IIIEI's certification programs.

Every member of the EPSC was nominated by an industry counterpart and approved by the CBG. If you want to know more about the EPSC go to: <http://www.industrycertification.org/standards.com.htm>. The site includes background and details on EPSC members including bios and contact information.

The EPSC formally began May 1st 2004 and already has a full agenda. It will be focusing on several priority initiatives. The EPSC will discuss each of the following and then make a recommendation to the CBG.

- Develop a criteria to single-out academic excellence by defining standards for identifying and recognizing outstanding performers in IIIEI's various certification programs.

- Explore a situation /case-based approach for exams that would add scenarios followed by related essay and short answer questions to the existing multiple choice question format.

- Examine the need for a new certification that would add another level and broaden the present Certified US Export Compliance Officer® (CUSECO®) Program. This would include requirements for customs, imports and compliance program development.

- Additionally, the EPSC will consider adding the Ethics in Trade Compliance course to the current CUSECO® curriculum.

The CBG and EPSC are dedicated to establishing and maintaining high standards in the international trade community. To do that, we depend on and enthusiastically encourage feedback from students and

CBG -Continued on page 10



The International Import-Export Institute

in answer to your requests

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EU Focus

EU Taking Leadership Role in Human Tissue Engineering



The EU, through its European Commission Joint Research Center's supported research, hopes to become a dominant player in human tissue engineering (HTE), an emerging biotechnology sector, which combines various aspects of medicine, materials science, engineering and biology. The EU's effort, reported in October 2003, is aimed at developing biological substitutes to restore, maintain or improve the function of diseased human tissues and organs. Tissue engineered products such as skin, cartilage and bones are already produced in Europe and many other applications are expected in the future.

Tissue engineering is a fast-growing sector, which holds a lot of promises for improved treatment opportunities and enhanced quality of life across Europe. In order to de-

The authors of the report, A. K. Bock, D. Ibarreta, and E. Rodriguez-Cerezo state that HTE is an emerging biotechnology sector, which promises to change medical practice profoundly worldwide. Several tissue-engineered products are already on the market, and more complex products covering other applications areas such as cardiovascular and central nervous tissues might emerge in the future. Research and development activities worldwide focus on the basic components of tissue engineering biomaterials, cells and biomolecules as well as engineering design aspects. In Europe about 113 tissue engineering companies were identified, most of them small biotech companies. Germany and UK seem to be the most active

European countries in this sector. Tissue engineering companies face several challenges, for example the market development, reimbursement by health insurances and a lacking European regulatory framework.

For more information and the full report go to:
<http://www.jrc.es/home/publications/publication.cfm?pub=1127>

Nominations for Certification Board of Governors' Policy Committee Still Open

The Certification Board of Governors (CBG) is accepting nominations for volunteers to serve on the Policy Committee that help establish and monitor the policies of international trade certification. Visit the CBG's web site at www.industrycertification.org for details.

EU Flag History



This is the European flag. It is the symbol not only of the European Union (EU) but also of Europe's unity and identity in a wider sense. The circle of gold stars represents solidarity and harmony between the peoples of Europe. The number of stars has nothing to do with the num-

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www.usexportcompliance.com

ber of Member States. There are twelve stars because the number twelve is traditionally the symbol of perfection, completeness and unity. The flag will therefore remain unchanged regardless of future EU

EU Flag -Continued on page 10

In Compliance....

Expert Advice on:

Part Two

Jurisdictional Determinations: Useful Information & Suggestions

By John Priecko

Editor's Note: Part Two was received prior to receipt of the counterpoint article on page 8.

In the last issue of GlobalWatch®, we promised additional insight into the content of jurisdictional determinations to help Empowered Officials and their staff prepare Commodity Jurisdiction (CJ) submissions with information most useful and relevant to reviewers.

So, along with Parts 120.3 and 120.4 of the International Traffic in Arms Regulations (ITAR) and Department of State (DOS) guidance, here are some questions that assist in making jurisdictional determinations between the Department of Commerce (Dual-use) and DOS (Munitions). If you answer these in your CJ request to the DOS, it will help expedite the case and result in the best possible decision.

- Was the original product designed or developed for military or commercial use? Was it under a US Government (USG) contract or with USG funds? How long ago and for who? Was the article or service “specifically designed, developed, configured, adapted, or modified for a military application or has significant intelligence applicability such that control under the ITAR is necessary”?
- Is the commodity currently inherently military in character or nature (i.e. What is the “predominant” application, military or commercial)? Have there been any purely commer-

cial sales? What’s the record of sales and percentage of sales (civil versus military)?

- Is the commodity currently on the US Munitions List (USML)? If so, what Category? Is the item a new product? Is it still in development?
- Have you submitted or are you aware of any previous CJs for this or a similar item? If so, what’s the case number and outcome (i.e. rationale and Commerce or State jurisdiction)?
- If originally designed for civil use, has the commodity been modified “in any way” for a military end-use or end-user? If the commodity is Commercial Off-The-Shelf (COTS), has it been modified, adapted, changed “in any way” for a military end-use or user? If so, exactly what are the changes?
- Is the commercial version “exactly” the same as the military one? Note, any modification whatsoever for a military use and the article and related service(s) and technical data will most likely fall under DOS jurisdiction [Per the ITAR, Part 120.3 (a)].
- Can the commercial version be modified for a military end-use/user? (for example, by increasing power supply, the capability goes from a civil end-use/user to military). If possible, assess the de-

gree of difficulty in making such modification(s).

- Is domestic or foreign availability an issue (i.e. If the customer doesn’t buy from this applicant, can they get an equivalent or a more capable item elsewhere)?

REMEMBER (in accordance with the ITAR, Part 120.3, the last paragraph): The intended use of an article or service after its export is NOT relevant in determining whether the article or service is covered by the USML and therefore subject to DOS jurisdiction and compliance with the ITAR.

I can virtually guarantee, based on my first-hand experience in reviewing hundreds of CJs, if you clearly and concisely follow the ITAR and the DOS’s Guidelines for Preparing CJ Requests at <http://www.pmdtc.org/docs/cj.pdf> and answer all the questions above in your submission, your case will move more quickly through the interagency process and assist reviewers in coming to the right conclusion.

Mr. Priecko is a CUSECO® and Technical Director with Anteon Corporation and acts as the Senior Export Administration & Compliance Officer for the Office of the Deputy Assistant Secretary of the Army, Defense Exports & Cooperation. Along with helping oversee licensing and many other international related responsibilities for Headquarters U.S. Army, he also processes and coordinates every CJ staffed to the Army. He can be reached at john.priecko@hqda.army.mil.



U.S. Bureau of Industry and Security News and Announcements

Oregon Company Settles Charges of Illegal Exports

EXPORTERS FACE INCREASED LIABILITY

The Bureau of Industry and Security (BIS) is about to make it both harder and (it claims) easier on exporters to comply with the Export Administration Regulations (EAR). It will expand the "knowledge" standard and increase the number of red flags that exporters check before shipping. At the same time, the agency will provide a safe harbor from liability.

In the coming few weeks, the BIS will try to provide "greater clarity and certainty regarding the responsibilities of persons involved in exports, reexports, and other activities subject to the EAR." The agency will be issuing a rule on the "Adoption of Safe Harbor, Interpretation of Knowledge, and Revision of Red Flags Guidance." The BIS has not yet decided whether this will be a final rule or whether it will allow for public comment, but the rule will certainly provide precision to export compliance.

This is the current definition of "knowledge" under Part 772 of the EAR: Knowledge of a circumstance (the term may be a variant, such as "know," "reason to know," or "reason to believe") includes not only positive knowledge that the circumstance exists or is substantially certain to occur, but also an awareness of a high probability of its existence or future occurrence. Such awareness is inferred from evidence of the conscious disregard of facts known to a person and is also inferred from a person's willful avoidance of facts.

The BIS thinks that this definition is too lax. The new rule will, for some purposes, incorporate an objective, "reasonable person" standard. Under the new standard, a party would have knowledge of a fact or circumstance if it can be said that a reasonable person would have knowledge. This will make it easier for the

BIS to prove that a person committed violations without having to prove that the violators actually knew they were violating the EAR.

The BIS will also be increasing the number of red flags found in Part 732, Supplement 3 of the EAR from twelve to twenty three. Most importers check the twelve red flags when they screen shipments, but often those twelve red flags are completely irrelevant to the type of transaction or exporter. While the BIS has not yet disclosed the additional eleven red flags, it is expected that they will more clearly reflect industry practices.

Along with these rather large sticks, the BIS is also offering a carrot ... of sorts. The BIS is proposing to create a safe harbor from liability caused by the expanded knowledge standard. The safe harbor will be found in a new section of the EAR: 764.7. To qualify for safe harbor, exporters must (1) classify the item, (2) screen the transaction against the various "bad persons" lists, and (3) follow the new red flags procedures.

The BIS will also allow an exporter to confirm through the agency that the exporter was correct in resolving the red flag. It is not mandatory for an exporter to file such a report, but it may be a good idea if the exporter wants pre-shipment clearance from the agency. The issue for many exporters will be whether it is possible to wait forty-five days (or whatever time period the BIS finally decides it requires) for the BIS to clear the shipment. A second concern is that reporting any "red flag" to the agency will cause the BIS to target the company for further review and investigation.

Source: Expeditors Newsflash

The U.S. Department of Commerce announced that Molecular Probes, Inc., of Eugene, Oregon (Molecular Probes) agreed to pay a \$266,750 civil penalty to settle charges that it exported toxins to numerous countries in violation of the Export Administration Regulations (EAR).

The Commerce Department's Bureau of Industry and Security (BIS) charged that on 97 occasions between January 1998 and October 2002, Molecular Probes exported conotoxin and tetrodotoxin without the required export licenses from the Department of Commerce.

Conotoxin is used as a tool to allow researchers to study biological molecular activity and structure. Tetrodotoxin is used as a reagent in scientific experiments in the field of neuroscience to study cell structure or other molecular components. Both conotoxin and tetrodotoxin are controlled exports under the EAR for chemical and biological, chemical warfare, and antiterrorism reasons.

Molecular Probes voluntarily self-disclosed the violations and fully cooperated with the investigation. Molecular Probes has since been acquired by Invitrogen Corporation, which agreed to guarantee payment of the civil penalty.

Assistant Secretary for Export Enforcement Julie L. Myers commended Special Agent Dave Severson of the BIS's San Jose Field Office for his efforts in the investigation.

Source: www.bis.gov

Expert Advice on: COMMODITY JURISDICTION DETERMINATIONS –**Counterpoint Perspective****SUBSTANCE OVER FORM***By Giovanna M. Cinelli and
Jeremy K. Huffman*

This article offers a different perspective to the article in the March/April edition of GlobalWatch by Mr. John Priecko titled "Jurisdiction Determinations: Why and How", which discussed the commodity jurisdiction ("CJ") process outlined in the International Traffic in Arms Regulations ("ITAR") § 120.3 and § 120.4

As noted in the earlier article and in the ITAR, the purpose of the CJ process is to:

1. establish the jurisdictional controls governing an article or technology;
 2. request confirmation of the classification of an item or technology;
- or
3. seek to transfer items from the USML to the Commerce Control List ("CCL").

In fact, the Government focus should be, and in our experience, has been, on the substance of the submission, which contains the critical information needed for the Department of Defense and State to assess the nature of the product or technology under review.

ITAR §§ 120.3 and 120.4 establish specific criteria for the review and assessment of CJ requests. ITAR § 120.3 outlines DDTC's policy on designating defense articles and services based on whether the item is specifically designed, developed, configured, adapted or modified for a military use and has a predominant civil application or whether an item has significant military or intelligence applicability such that control under the ITAR is necessary. Although ITAR § 120.3 states that the intended use of the article or service after its export is not relevant in determining whether the article or service is controlled under

the ITAR, recent classification decisions involving the QRS11 sensor suggest that this bright-line rule may be less than clear. *See* 69 Fed. Reg. 873 (Feb. 7, 2004).

ITAR § 120.4, likewise, identifies the specific information that must be included in a CJ request:

1. details describing the article or service;
2. the history of the product's design, development and use;
3. copies of detailed technical supporting materials, such as brochures, specifications and any other available documentation related to the article or service;
4. an explanation of whether the article or service has predominant civil applications and the function and capability of civil and military applications;
5. a description, if any, of the item's civil performance equivalent, defined by form, fit and function, the nature, function and capability of the article and its similarity to any comparable components originally developed for civil use; and
6. whether the item has significant military or intelligence applications.

A CJ request must substantively address each of these issues to permit an accurate and comprehensive classification determination, regardless of the length of the submission. Instances may exist, therefore, where the inclusion of an extensive patent portfolio demonstrating strong civil applications would be directly relevant to the product or technology's classification. This was

not noted in the previous article. Other situations require details related to U.S. government contracts, U.S. government subcontracts, intellectual property information, independent research and development funding, comparable products available from overseas, and technical end-use descriptions.

DDTC, in conjunction with technical personnel from the Department of Defense, will classify an item or technology based on ITAR §§ 120.3 and 120.4, not on whether the submission is four pages versus 100 pages, was prepared by a Company Export Administrator versus in-house or outside counsel or whether the submission cost \$100 or \$10,000 to compile. The level of detail and supporting documentation in the submission make the difference between whether the ultimate decision is appropriate for the item. Expertise and experience in detailing this documentation and understanding the rules can make the difference in determining the final classification.

While every company seeks efficiency in its licensing and compliance function, complete and effective submissions sacrificed at the altar of cost, efficiency or expediency do a disservice to the process, the result the U.S. Government and the company submitting the request. We believe the previous article's "Cases in Point" suggested that the length, preparation costs and associated with a CJ submission impact whether the review results in a classification under the ITAR or the

Substance -Continued from page 8

Department of Commerce's Export Administration Regulations. We disagree. We believe that the Government follows the rules for proper CJ determinations and does not focus its decisions on other considerations.

Furthermore, we know that inaccurate classification, based on an expedient submission, could form the basis for civil or criminal penalties at a later time if DDTC discovers that the CJ determination was based on incomplete or inaccurate information and has been used to export item or technology inappropriately since the issuance of the determination. In this context, a focus on form over substance can have serious and far-reaching consequences.

Ms. Cinelli is a partner in the Northern Virginia office of Patton Boggs, LLP. She chairs the Firm's Export Compliance Practice and the Technology Transfer, National Security and Homeland Security Practice Group.

Mr. Huffman is an associate in the Northern Virginia office of Patton Boggs, LLP. He is a member of the Firm's Export Compliance Practice and the Technology Transfer, National Security and Homeland Security Practice Group.

U.S. State Department's Directorate of Defense Trade Controls (DDTC) Restructures Compliance Divisions

DDTC has announced a restructuring and expansion of its Office of Defense Trade Controls Compliance, headed by Director David Trimble and Deputy Director, Sue Clark. The Compliance office will now contain three divisions:

(1) Enforcement Division (END), Division Manager - Deborah Carroll

- Criminal case support
- Administrative Cases (Charging Letters)
- Complex Disclosures
- Reinstatements, Transaction Exceptions
- Debarments

(2) Compliance and Registration Division (CRD), Division Manager - Pat Slygh

- Registration
- Electronic Registration Initiative
- Disclosure suitable for "fast-track" disposition

— Compliance Inspection Teams

(3) Research and Analysis Division (RAD), Division Mgr - Open/To Be Determined

NOTE: According to Dave Trimble, CRD will generally handle routine Voluntary Disclosures. END will adjudicate the more complex Voluntary Disclosures and all Directed Disclosures. He also noted that Compliance Inspection Teams will operate with relative short-notice to industry.

www.pmdtc.org

Fines by the US State Department Reached
\$63,500,000
in 2003



Photo: Secretary Evans (holding certificate) and Roger Marks

IIEI Global Advisory Board Member receives Export Achievement Award from Secretary Evans

On February 24, Secretary of Commerce Donald Evans presented the Commercial Service's Export Achievement Certificate to **H2O Plus** of Chicago, Illinois. Mr. Roger Marks, President of the International Division of **H2O Plus**, a member of IIEI's Global Advisory Board for the past three years, received the award.

H2O Plus is the first company in the world focused solely on the benefits of water-based, oil-free skincare. They are a fully integrated company with product research, development, packaging and manufacturing all done in their facilities in downtown Chicago where they also warehouse and manage distribution of the final product.

CBG -Continued from page 4

industry professionals around the world. We welcome your suggestions to further improve certification standards.

We believe hands-on users are the best sources to keep course content up-to-date and relevant in this fast-paced, dynamic and demanding global marketplace. If you have inputs, we recommend you provide them directly to your course instructor. With that feedback, we also request specific suggestions for improvement. For inputs not aimed at content, please submit them to info@industrycertification.com.

Remember, certification is not just a one-time event. To remain certified, individuals must stay current and complete annual requirements for Continuing Education Units (CEUs). The EPSC is also chartered to help insure training accepted to fulfill CEU requirements meets and continues to meet high standards.

To achieve and sustain all this, it will take a concerted ongoing effort by the CBG, EPSC and professionals across industry to help raise and maintain standards and give management and governments assurance that practitioners know what they're doing.

Direct comments to:
jpriecko@industrycertification.org

Don't be the next one!

In 2003, there were 223 ITAR violations as compared to 74 in 2002.

EU Flag -Continued from page 5

enlargements.

The history of the flag goes back to 1955. At that time, the European Union existed only in the form of the European Coal and Steel Community, with just six Member States. But a separate body with a larger membership - the Council of Europe - had been set up several years earlier and was busy defending human rights and promoting European culture.

The Council of Europe was considering what symbol to adopt for its own use. After much discussion, the present design was adopted - a circle of twelve gold stars on a blue background. In various traditions, twelve is a symbolic number representing perfection. It is also, of course, the number of months in a year and the number of hours shown on a clock face. The circle is, among other things, a symbol of unity. So the European flag was born, representing

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the ideal of unity among the peoples of Europe.

The Council of Europe then encouraged other European institutions to adopt the same flag and, in 1983, the European Parliament took up the call. Finally, in 1985, the flag was adopted by all EU heads of State and government as the official emblem of the European Union - which, in those days, was called the European Communities.

US State Department Organizes Crackdown On Firms Violating Defense Export Controls

The State Department plans to mount a major campaign aimed at preventing companies from illicitly selling defense-related equipment abroad, U.S. officials say, adding that initiative has been prompted in part by the war on terrorism.

The State Department conducted a record 413 pre- and post-export checks for violations of U.S. law last year, twice the number in the previous year.

"We're getting better at targeting our checks to find violations," one official said, adding that products most often involved have been

firearms, aircraft parts, and electronics equipment. The State Department plans to become even more aggressive in pursuing violators, said a key official.

That program is being run through the Bureau of Political-Military Affairs, headed by Assistant Secretary of State Lincoln Bloomfield Jr., who, they said, has doubled the number of licensing officers dealing with defense-related export controls covered under the Arms Export Control Act and the International Traffic in Arms Regulations.



So You Want to Drop a Course? Make sure you read this first.

By Melissa Jensen

Occasionally, you might need to drop a course, but does dropping or transferring courses gain you anything? There are lots of reasons why students transfer from one course to another, but astonishingly, it isn't usually because of a medical or otherwise out-of-your-control circumstance. Things get piled up at work or home, stress builds and demands leave little time to devote to the important task of class work. Understandably, it can become difficult to finish out a course with satisfactory results—and *sheepishly* even I have found myself dropping a course here or there. But what does it really gain, postponing the inevitable? Maybe it gains you a little time, but in

the end you paid a substantial amount of money and may wind up with nothing to show for it.

To move classes, you will have to submit a signed transfer form. This form highlights the policy that may get you in trouble: you are only allowed to transfer twice (only once without an additional charge), and there are no refunds once you transfer.

Transferring courses is not totally discouraged because we understand that life happens and we want to help. Just be careful that you aren't jeopardizing the hard earned tuition you already paid. The rule: don't transfer "just because," no matter how tempting it might seem. As an alternative, for example, in the past I have sacrificed an A+ when I couldn't put in as much time as I needed to during a particular course. But I still passed with a respectable B, and that is nothing of which to be ashamed. More importantly, I mastered the course material—even if I didn't demonstrate it fully in the classroom. The reality is that life's pressures and stresses will still exist two, four or six weeks or three months down the road, only then you really *won't* have any options left. You will either stick it out or lose the tuition.

Ultimately, you have one free pass. Use it wisely so that when real emergencies occur, you will have the flexibility you need to balance your school, work and home life.

IIEI Alumni Attend SIA Conference

IIEI's founder and Executive Director, Dr. Donald Burton, was pleasantly surprised when he attended the recent SIA conference in Ft. Worth, Texas on April 19 and 20th and was greeted by twenty-two former and current IIEI students, several of which had already completed their CUSECO® certification.

One of the presenters during the event was Glenda C. Bass, CUSECO®, a Manager and Export Control and Empowered Official for Lockheed Martin Simulation, Training and Support. She earned the distinguished Certified U.S. Export Compliance Officer® designation in 2004.

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Congratulations are due to the following individuals on their successful completion and recent award of the respective certifications.

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