



Global Watch®

THE NEWSLETTER OF THE INTERNATIONAL IMPORT-EXPORT INSTITUTE, EST. 1995
11225 N. 28TH DRIVE, SUITE B 201, PHOENIX, ARIZONA USA 85029

JULY/AUGUST 2006, VOLUME 8, ISSUE 4



国际进出口
职业资格认证网



国家外国专家局培训中心 (TCSAFE) 提供世界范围的进出口专业认证标准 美国国际进出口协会 (IIEI)

China Promotes IIEI Certifications in New Web Site

The People's Republic of China (PRC) recently launched a web site to promote its partnership with the International Import-Export Institute (IIEI) to bring international trade certification to China.



Dr. Donald Burton, IIEI's President in China speaking with TV newscaster about industry certification.

The Training Center of the State Administration of Foreign Expert Affairs (TCSAFE) launched the web site (www.china-iiie.org) in June 2006 as part

of its strategy of introducing IIEI's 9 international trade certifications across all of China. In this latest development, China is aiming to get the word spread to every part of its vast country, using the latest techniques. The site features streaming video of news broadcasts of the signing ceremony held in Beijing, PRC in which Dr. Donald Burton, IIEI's President participated.

TCSAFE to date has over 20 organizations, including college and universities, already engaged all across China that are preparing other local education and training sites to offer the certifications starting this Fall.

Unveiling the web site coincides with the IIEI completing the first training session in Beijing in which a group of Chinese international trade professionals and educators received training preparing them to sit for the IIEI first official certification examination to be held in China. Dr. Burton is scheduled to return to Beijing in August for the formal certification award ceremony.

Seven Regulatory Challenges Will Drive Export Compliance in 2006

As we enter 2006, it's important to pause and look to the future. One trend remains clear: Export compliance will continue to remain one of the manufacturing world's greatest challenges. As we gaze into our crystal ball for an outlook of key export trends and challenges,

Seven - Continued on page 11

Companies Happy to Reduce Stress and Hassel of Compliance Training

The IIEI's Managed Trade Compliance Training Program (MTCTP), now in its second year, is rapidly gaining popularity among large aerospace and defense contractors as more companies realize the value of outsourcing global trade compliance training.

The MTCTP gives companies full control over the compliance training regimen their employees receive without the added cost and administration of doing the training, keeping current materials and record keeping of employees competencies. For example: in the program which can be initialed quickly by the IIEI's expert staff, companies' employees are trained by experts online using the latest updated

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GlobalWatch® is a publication of
**The International
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 Phoenix, Arizona, USA

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Notes from the Executive Director

Challenges and More...

by Dr. Donald N. Burton



Everyone seems to agree that 2006 is going to bring many challenges to those involved in international trade. The article in this issue of GlobalWatch® “Seven Regulatory Challenges will Drive Export Compliance in 2006” (See page 1) discusses just how dynamic our world has become, particularly in trying to stay current with trade compliance regulations between nations. The article should be considered a “must read,” if trade compliance is your world.

The IIEI is busy in just about every corner of the world as I write this column. Our China programs are rapidly expanding. (See page 1 article and picture on page 9) The first “train the trainer” class in Beijing China just finished. Our representatives in Puerto Rico keep expanding the number of classes and number of students enrolled in courses leading to many different IIEI certifications. In Japan, Matrix Learning is continuing to prepare students to sit for various IIEI certifications examinations. And in Jordan, the IIEI has been chosen to be the accredited university at the center of a massive \$120 million dollar project to form a Middle Eastern hub for global business and international trade university in the city of Aqaba, Jordan.

In the article titled “Certification Board of Governors” (See

page 10), you will see that the list of approved training providers for Continuing Education Units has continued to expand.

I am very pleased that IIEI’s Managed Trade Compliance Training Program has seen such wide acceptance by companies within the aerospace and defense industries over the past year. One reason for the success, I believe, is the program really does meet the demanding training needs of companies and that alone frees up compliance management to focus on their hot issues instead of worrying about keeping their training current and complete. (See article beginning on page 1)

And finally, I will be back in Beijing in late Summer at China’s request to launch another new program, the People’s Republic of China Export Compliance Officer® program, which will be comprised of nine courses (over a year in length) intended to train Chinese corporate compliance personnel on China’s export regulations.

As you can see, the year holds many challenges for the IIEI as we continue to grow rapidly to meet your needs around the world.

I hope you enjoy this issue of GlobalWatch®. And as always thank you for your strong ongoing support and trust.

Do You Need a Freight Forwarder?

Consider the distance, handling, and cultural exchanges your product will make when deciding whether you need a forwarder. As a rule, regardless of your company size or your experience, you are better off allowing a freight forwarder to handle larger and more complicated shipments. Ask yourself the following questions to help guide your decision.

- **Is the size of the shipment large or small?**
Small shipments require less detail to intricate shipping procedures. Large shipments necessitate more documentation and closer detail to cost-effective means of packaging, shipment arrangements, and handling.
- **Is your shipment of high value or low value?**
Shipments of lower value require less complex payment methods. Shipments of higher value usually require making arrangements for payment and drawing up special documents to correspond to the financing agreement.
- **Is the delivery date a condition of the terms of the export transaction?**
If so, an experienced freight forwarder can determine the best way for your shipment to arrive on time.
- **Are there unusual circumstances involved with your shipment?**
Perhaps you will be dealing in shipments of non-typical material characteristics. Examples of such are over-weight shipments, requiring special packaging, controlled substances subject to special shipping, regulations and documentation. A freight forwarder will know what you need.
- **Is the foreign market you are entering susceptible to trade barriers?**
If you are an inexperienced exporter, a freight forwarder can guide you in the best ways of entering a foreign market that imposes trade barriers or restrictions.
- **Does your company have an experienced shipping department?**
If your company is large and you have established a shipping department, you may not need the full services of a freight forwarder. On the other hand, many smaller companies consider their freight forwarder as their own shipping department.
- **How frequently do you ship to certain destinations?**
If you are shipping to a specific destination frequently, you may be able to set up standard procedures for preparing documents and arrange for shipping in-house. Keep in mind you will need to stay apprised of changes in export regulations! If you ship to particular destinations infrequently, the use of a freight forwarder may be less costly than arranging for shipment yourself.
- **Can you afford a freight forwarder?**
Although freight forwarders are relatively inexpensive, you may be able to find better shipping rates on your own.

*Source: *Fast Track Exporting* by S. Renner and W. G. Winget.

Note: Thorough due diligence in selecting the right freight forwarder is always well worth the extra time and effort.



American Conference Institute

Upcoming 2006 International Trade & Defense Related Event

National Forum on the Foreign Corrupt Practices Act

November 8 - 9 2006

Renaissance Hotel, Washington, DC

Now in its 16th successful year, ACI's National Forum on Foreign Corrupt Practices Act is the event that corporate counsel and compliance officers rely on for comprehensive, insightful, and practical guidance on critical FCPA compliance issues.

For complete details and registration go to www.americanconference.com



U.S. Bureau of Industry and Security Update

Lexington, Kentucky Corporate Executive Pleads Guilty

A Lexington, Kentucky corporate executive, David S.C. Tatum, has pleaded guilty to making false statements in an Iranian trade embargo investigation. Tatum, 70, entered his plea of guilty in U.S. District Court for the District of Columbia to the felony charge of making a material false statement to federal agents investigating violations of the U.S. trade embargo against Iran.

The charge arose from a Commerce Department Office of Export Enforcement and Immigration and Customs Enforcement investigation into a scheme by two executives of Clark Material Handling Corporation (CMHC), a Kentucky-based forklift truck manufacturer, to sell U.S.-origin forklift components to an Iranian forklift truck manufacturer, Sepahan Lifter, in violation of the trade embargo against Iran. The two CMHC executives, Robert E. Quinn and Michael H. Holland, and Sepahan Lifter's Managing Director, Mohammad A. Sharbaf, were indicted in the District of Columbia in April 2005. Tatum, then a Vice-President of CMHC, was interviewed during the course of the investigation. According to papers filed in connection with Tatum's plea, he knew of the Iranian trade embargo. Tatum was also aware that Quinn and Holland were in communication with Sharbaf and had arranged for parts to be shipped to Sepahan Lifter through a company in the United Arab Emirates (U.A.E.), thereby making it appear

that the parts were not going to an embargoed country.

After a trial ending in December 2005, a federal jury found Quinn guilty of all six counts of the indictment against him, and on February 23, 2006, he was sentenced to 39 months of imprisonment. Holland was acquitted after trial. Sharbaf remains at large. A fourth co-conspirator, who had operated the intermediary company in the U.A.E., Khalid Mahmood, previously pled guilty to Iran embargo violations relating to other transactions, and provided substantial cooperation in the government's investigation. On January 19, 2006, he was sentenced to 16½ months of imprisonment.

Singapore Businessman Convicted of Secretly Diverting U.S. Military and Civilian Aircraft Parts to Iran

*Defendant Also Found Guilty of
Money Laundering Conspiracy*

A federal jury in Brooklyn, New York, returned a verdict convicting Singapore businessman ERNEST KOH CHONG TEK of obtaining U.S. aircraft parts which can be used in the C-130 military transport plane and the P-3 Naval aircraft, and diverting those aircraft parts to Malaysia for transshipment to Iran, in violation of a 1995 U.S. embargo. In addition, the jury found that the defendant laundered millions of dollars from his bank accounts in Singapore through accounts in the U.S. to promote the ongoing illegal scheme.

Source: www.bis.doc.gov/news/2006/DOJ05_18_06.htm

Customs' Guide on U.S. Rules of Origin

The Bureau of Customs and Border Protection (Customs) publishes a free, on-line Informed Compliance Publication (ICP), titled What Every Member of the Trade Community Should Know About: U.S. Rules of Origin, Preferential and Non-Preferential Rules of Origin.

"The country of origin of merchandise imported into the customs territory of the U.S. (the fifty states, the District of Columbia and Puerto Rico) is important for several reasons," Customs stated in the guide's Introduction section. "The country of origin of merchandise can affect, among other things, the rate of duty, the eligibility for special programs, admissibility, quota, procurement by government agencies and marking requirements. This publication summarizes the various rules of origin for goods imported into the customs territory of the U.S."

Customs stated that the discussion of these subjects is divided into "non-preferential" and "preferential" rules of origin, explaining that "non-preferential" rules are those that generally apply to merchandise in the absence of bilateral or multilateral trade agreements, while "preferential" rules are those that apply to merchandise to determine eligibility for special treatment under various trade agreements or special legislation.

The "Non-Preferential Rules of Origin" section of the ICP includes outline information on the following subjects:

- Most-Favored-Nation or Normal-Trade-Relations Treatment
- Country of Origin Marking
- Government Procurement
- Textile and Textile Products
- Legislation and Implementing Regulations

Customs - Continued on page 5

DDTC Update

Directorate of Defense Trade Controls

D-Trade Points to Remember

- Use of D-Trade is limited to U.S. entities and persons registered with the DDTC who keep their registration and required data current.
- Empowered Officials will exercise electronic licensing authorities per the responsibilities set out in Section 120.25 of the ITAR.
- Export licensing case information, in order to be considered official and given full merit of U.S. Department of State consideration, must be submitted to the DDTC directly via D-Trade.
- An electronic submission has the legal force and effect of a written submission under the ITAR, and is subject to all the provisions of the ITAR except as expressly provided herein.
- Users recognize that the DDTC cannot guarantee or warrant the security of the information industry submits to the D-Trade web site, and that users do so at their own risk. Users further agree to hold the U.S. Department of State harmless should there be a lapse in this security.
- Exports authorized from cases processed via D-Trade will be handled in accordance with all applicable regulations, including the ITAR, and U.S. Customs regulations, and those relating to the Automated Export System.
- The DDTC reserves the right to revoke or suspend the use of D-Trade, or users' participation in the electronic licensing program, at any time upon written notification

Source: www.pmdtc.org/sl_dtrade.htm

Customs - Continued from page 4

The "Preferential Rules of Origin" section of the ICP includes outline information on all the main categories.

The ICP emphasized that the material in this publication is provided for general information purposes only.

What Every Member of the Trade Community Should Know About: U.S. Rules of Origin, Preferential and Non-Preferential Rules of Origin and other Informed Compliance Publications can be accessed online at:

www.customs.ustreas.gov/xp/cgov/toolbox/legal/informed_compliance_pubs/

MTCTP - Continued from page 1

government regulations. Management is provided with the learning status (PASS or FAIL) of every employee that completes training. The IIEI assigns an Account Executive who manages all the scheduling and reporting of all training, including a detailed status of all enrolled employees, an exception report that identifies all employees who have not completed specific requisite training according to the schedule a company has set. In short, the IIEI handles everything, including the scheduling of employees for the industry certification examination, Certified U.S. Export Compliance Officer, should the company desire.

Other features of the MTCTP are simplified scheduling, billing and a full range of training reports. Companies in the program receive notices of when their employees should obtain more training—should the regulations change sufficiently to require it. Another feature companies like is the ability to have private online classes reserved for just their own employees. Many companies prefer, however, to have their employees in courses with many other companies so that they get a wider view of the compliance landscape. A major plus for MTCTP participants is that they can have their own private course content included in their private classes. The fact that globally dispersed members of the same organization can be in classes online together is also very helpful, say program participants.

For more information contact IIEI's Mr. Bob Geiges, Vice President, Global Marketing at bgeiges@expandglobal.com or call (800) 474-8013

In Compliance....

BE PREPARED: THE RISKS OF INADEQUATE EXPORT RECORDKEEPING

By Jeremy K. Huffman, Darren P. Riley and Suzanne Y. Kao

It is no secret that the recordkeeping provisions of the U.S. export laws, including ITAR §§122.5 and 123.6 and EAR §762 are drafted with notoriously broad language. The better secret may be that companies who read these provisions narrowly, and do not enact company wide recordkeeping requirements that ensure that *all* export-related records are kept, including such documents as: e-mails and notes of meetings and discussions where technical transfers occur; documents demonstrating due diligence associated with an acquisition or merger; or documents addressing export classification decisions, place themselves at risk of being unable to demonstrate compliance, or even good faith, in subsequent enforcement actions.

In the export world, an inability to produce documentation related to a particular export transaction can result in a stand-alone violation of these recordkeeping provisions, separate from any unauthorized export that may have occurred. While the thought of creating systems capable of capturing all such “documents” may cause the head to spin, the importance of such records is evident when a company finds itself addressing a potential violation.

These issues take on greater importance outside the “typical” physical export scenario. Most companies maintain documents associated with physical imports and

exports, such as: air waybills, shipper’s export declarations, Automated Export System notices; and entry documents. The more complicated recordkeeping issues arise with respect to activities such as: intangible transfers; corporate acquisitions and mergers; and export classifications.

Intangibles – In this electronic age, with global communication capabilities, an email can instantly transport technical data around the world. A web conference or meeting or telephone conference can address technical issues between engineers oceans apart. Without a document management process that captures such intangible exports, by way of manual logs or electronic filing systems, a company is unable to fulfill its recordkeeping obligations under the U.S. export laws. Worse, if questions arise, the company is unable to demonstrate compliance or even an effort at compliance because it cannot produce documents recording such exports to the U.S. Government.

Corporate mergers and acquisitions - With the recent focus on successor liability by the Department of State and Commerce, it is critical that acquiring or merging companies be able to demonstrate that they conducted effective due diligence that either:

1. required that export compliance or other security issues be

addressed and resolved prior to completion of the transaction; or

2. at a minimum, conducted an effective investigation, brought the issues to the attention of the cognizant U.S. Government agency and established a plan for resolving the issues in parallel with the transaction.

A well-documented due diligence effort is essential to demonstrating good faith to the government in addressing compliance matters. Such documents will also assist if litigation results from the transaction concerning indemnification provisions or liability for export violations.

Export Classifications - Recordkeeping related to due diligence is equally important with respect to export classifications. Where companies rely on self-classification, memoranda to file should document the entire self-classification process, including:

1. technical and legal personnel who conducted the classification;
2. the analysis that was conducted under each regulatory regime;
3. the detailed technical basis for classifying the item or service in a particular matter.

Such memoranda should include back-up documentation that confirms the technical characteristics and capabilities of the item or service that were included in the review and demonstrate that the effort was a thorough technical and legal analysis, and not a superficial exercise to “paper

the files". While a self-classification may not itself carry much weight in the event that the U.S. Government disagrees with the classification, a well-documented, thorough self-classification may serve as mitigation and demonstrate a company's good faith efforts to address the export laws in an enforcement proceeding.

Similar problems arise if a company is unable to produce copies of classification determinations by the U.S. Government, such as Commodity Classifications (CCATS) or Commodity Jurisdiction (CJ) determinations. Despite the fact that a company may be able to demonstrate that it has been relying on such a determination for years or even to provide a copy of the CCATS or CJ number, an inability to produce a copy of the actual determination, *and the submission that was reviewed by the U.S. Government to reach the determination*, puts the company in a difficult position. This fact was confirmed in the recent Consent Agreement between the DDTC and Goodrich Corporation/L-3 Communications Corporation. *See In the Matter of Goodrich Corporation and L-3 Communications Corporation*, Consent Agreement ¶ 5 (March 28, 2006).

Effective recordkeeping policies, therefore, that address all aspects of export activity, are critical to successfully conducting international business as well as protecting a company in the event questions arise concerning a particular transaction.

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The CENTRAL Transnational Law Database

The CENTRAL Transnational Law Database (TLDB) online reference tool for transnational commercial law provides the user with comprehensive references taken from international arbitral awards, domestic statutes, international conventions, standard contract forms, trade practices and usages, other sample clauses and academic sources.

The TLDB is the first of its kind to provide international practitioners and academics with an easy-to-use online reference tool for transnational commercial law, the New Lex Mercatoria.

The ancient Lex Mercatoria, the Law Merchant of the Middle Ages, was first described by an anonymous author in the late thirteenth century as part of "Colford's Collection" in the "Little Red Book of Bristol" and later refined by *Gerard Malynes* in his famous treatise "Consuetudo Vel Lex Mercatoria" published in 1622.

The concept was rediscovered in the 1960s by *Berthold Goldman and others*. Today, transnational commercial law provides a vital means to meet the challenges of globalization.

A worldwide enquiry about the use of transnational law in international practice conducted by CENTRAL between 1998 and 2000 has revealed that

-- the New Lex Mercatoria is indeed being used by international practitioners all over the world;

-- the lack of knowledge about its contents provides the major stumbling block in the way towards an increased acceptance of this concept.

The TLDB is based on the idea of the "Creeping Codification" of Transnational Law: an open list of principles and rules of the lex mercatoria that is constantly updated but never completed. This concept has

met with approval in international legal practice:

"...it is evident that the idea of 'the list'...is as close as we've come, in recent generations, to tackling the lex and wrestling it into usable shape".

For each principle and rule, the TLDB provides the user with the black letter text and comprehensive references taken from international arbitral awards, domestic statutes, international conventions, standard contract forms, trade practices and usages, other sample clauses and academic sources. All of these sources are, as far as possible, presented in **full text versions**.

Any attempt toward formal "codification" of the lex mercatoria may appear paradoxical at first glance, given the high degree of informality of international business out of which these principles and rules emerge. However, "Codification" **should not be confused with formal, universal law making**. Rather, the formulation of these principles and rules in black letter texts and reproduction of the sources serves two purposes: First, it helps to save the time and money that must be invested in thorough comparative research in order to determine the components of transnational law. Secondly, it allows the user to make his own judgement about the "comparative persuasiveness" of these sources. This individual judgement is always necessary since the New Lex Mercatoria escapes traditional ways of codification. The TLDB, therefore, does not "codify" transnational law. It merely establishes a presumption that the principles and rules reproduced in it form part of this legal system.

The principles and rules to which the TLDB provides access to may be used for many purposes, for example:



Country Profile Puerto Rico

The Commonwealth of Puerto Rico, a commonwealth of the U.S., is located east of the Dominican Republic in the northeastern Caribbean. Populated for centuries by aboriginal peoples, the island was claimed by the Spanish Crown in 1493 following Christopher Columbus' second voyage to the Americas. In 1898, after 400 years of colonial rule that saw the indigenous population nearly exterminated and African slave labor introduced, Puerto Rico was ceded to the U.S. as a result of the Spanish-American War. Puerto Ricans were granted US citizenship in 1917. Popularly-elected governors have served since 1948. In 1952, a constitution was enacted providing for internal self government. In plebiscites held in 1967, 1993, and 1998, voters chose not to alter the existing political status.

Did you know?

...That Puerto Ricans fought alongside the Continental Army during the American Revolution, under the command of General Bernardo de Gálvez?

...That "Why Do Fools Fall in Love", considered one of the greatest Rock and Roll songs, was written by Puertican Herman Santiago?

...That besides Generals Eisenhower, Bradley, Patton and MacArthur, there was Puertican Lt. General Pedro del Valle who played an important role during World War II?

...That the Father of Black History was Puertican Arturo Schomburg?

...That Café Rico from Puerto Rico is the Official Coffee of the Vatican?

Puerto Rico has one of the most dynamic economies in the Caribbean region. In the early 1900's the greatest contributor to Puerto Rico's economy was agriculture, its main crop being sugar. In recent years, a diverse industrial sector has far surpassed agriculture as the primary locus of economic activity and income.

Encouraged by duty-free access to the U.S. and by tax incentives, U.S. firms have invested heavily in Puerto Rico since the 1950s. U.S. minimum wage laws apply. Sugar production has lost out to dairy production and other livestock products as the main source of income in the agricultural sector. Tourism has traditionally been an important source of income, with estimated arrivals of nearly 5 million tourists in 2004. Growth fell off in 2001-03, largely due to the slowdown in the U.S. economy, and has recovered in 2004-2005.

In 2006, Puerto Rico began expanding its international trade effort by offering training to vast numbers of its population on how to export..

Source: CIA World Fact Book and Wikipedia



Puerto Rico at a Glance

GDP: \$72.7 billion (2005 est.)

GDP - real growth: 2.5% (2005 est.)

GDP - per capita (PPP): \$18,600 (2005 est.)

Inflation Rate: 6.5% (2003 est.)

Labor Force: 1.3 million (2000)

Unemployment Rate: 12% (2002)

Population: 3,927,188 (July 2006 est.)

Exports: \$46.9 billion f.o.b. (2001)

Exports - Commodities:

Chemicals, electronics, apparel, canned tuna, rum, beverage concentrates, medical equipment

Exports - Markets: US 90.3%, UK 1.6%, Netherlands 1.4%, Dominican Republic 1.4% (2004),

Imports: \$29.1 billion c.i.f. (2001)

Import Commodities: chemicals, machinery and equipment, clothing, food, fish, petroleum products

Import Partners: US 55.0%, Ireland 23.7%, Japan 5.4% (2004)

Exchange Rate: the US dollar is used

Internet Users: 1 million (2005)

Internet Hosts: 132 (2005)

Source: CIA World Fact Book



The first IIEI instructor to visit China, Richard Seamans, MBA and Certified International Trade Educator® (rear row, center), posed with the first group of students to complete IIEI training and examination for the IIEI Certified Exporter® designation.

SBA Increases Small Business Size Standards to Account for Inflation

The U.S. Small Business Administration (SBA) has increased its small business size standards to account for inflation, restoring small business eligibility to those firms that may have lost their small business status because of inflation since February 2002. The SBA has adjusted its dollar-based small business size standards, which are based on receipts, net worth and financial assets, to reflect inflation that has occurred since February 2002, when the SBA last adjusted them for the same reason. Since the February 2002 inflation adjustment, prices have generally increased 8.7 percent. The SBA increased the familiar “anchor”

size standard from \$6.0 million to \$6.5 million. Size standards that are higher than \$6 million also reflect similar percentage increases. The SBA also changed how it determines the size of small business concerns when they apply for the SBA Business Loans and for Economic Injury Disaster Loans (EIDL). Instead of looking only at the loan applicant’s primary industry, the SBA now looks at both its primary industry and the primary industry of the applicant together with its affiliates. This will provide additional assistance to small businesses that have subsidiaries and affiliates.

The SBA also changed proce-

dures for determining size status for the purpose of EIDL applications for businesses located in disaster areas declared because of Hurricanes Katrina, Rita, and Wilma. For an EIDL loan, instead of having to show it was a small business when these hurricanes struck, the firm only has to fit the new small business size standard when the SBA accepts its application for processing. The SBA issued an Interim Final Rule on December 6, 2005, and the revised size standards took effect the same day for its loan programs. For federal procurement, the new size standards become effective on January 5, 2006.

Visit
www.usexportcompliance.com



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U.S. aerospace and
defense companies have
enrolled their employees
into courses leading to
industry certification.

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**Certified People’s
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Compliance Officer**

54 week program

Certification Board of Governors

Approved Provider Program Expands

The Certification Board of Governors (CBG) welcomes all government agencies, colleges, universities training organizations and others worldwide to educate to the CBG's published standards.

The CBG has set the requirement that all individuals holding certification must complete Continuing Education Units (CEUs) to maintain certification. The amount of CEUs required varies by certification as does the time duration during which an individual has to complete them. For example, the Certified US Export Compliance Officer® Program requires completion of 10 CEUs to maintain qualification. That training must be completed every 12 months from the date the individual was initially determined to be certified.

In addition to the list of schools and other organizations selected as Approved Providers, all of the entities shown are approved as providers for recurring CEU equivalent training specifically as indicated in each entry.

To find out how your trade compliance education and related training can be reviewed and approved for CEU credit, contact the CBG's Managing Director.

Direct email correspondence to cbarron@industrycertification.org

Approved Continuing Education Providers

- **American Conference Institute** (ACI) - Two-Day International Trade Compliance Related Conference - 3 CEUs
- **Bureau of Industry & Security** (BIS) - Two-Day Annual Update Conference - 3 CEUs
- **BIS** - One-Day Topic Specific Seminar, Session or Workshop - 1.5 CEUs
- **Export Compliance Solutions** - One-Day Seminar - 1.5 CEUs
- **FD Associates, Inc.** - One-Day Topic Specific Workshop - 1.5 CEUs
- **International Compliance Professionals Association** (ICPA) - Two-Day Annual Conference - 3 CEUs
- **ICPA** - One-Day Topic Specific Seminar, Session or Workshop - 1.5 CEUs
- **International Import-Export Institute** (IIEI) - Online courses, 10 CEUs for a six-week course. 5 CEUs for a three-week course.
- **JPMorgan Chase Vastera** - One or Two-Day Topic Specific Seminar, Session or Workshop - 1.5 CEUs or 3 CEUs respectively.
- **Space Coast World Trade Council** (SCWTC) - Two-Day Annual Conference - 3 CEUs
- **Society for International Affairs** (SIA) - Two-Day Conference (Basic or Advanced) - 3 CEUs
- **SIA** - One-Day Topic Specific Training Session, Seminar or Workshop - 1.5 CEUs
- **Unz & Company** - One-Day Export Compliance Seminar - 1.5 CEUs
- **Third-Party:** Consultive, Corporate (in-house), or Other International Trade Related Training/Courses/Seminars/Workshops - Upon Review - CEUs To Be Determined.

Want to know
more about the
CBG visit

www.industrycertification.org

Do you need CEUs?

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we see increased complexity and a constantly changing regulatory landscape. Below is an analysis of seven key export compliance trends developing over the next several months.

1. **FBI More Active in Export Enforcement** – While it's the task of the Bureau of Industry and Security (BIS)'s Office of Export Enforcement (OEE) to prevent and pursue illegal exports intended to facilitate arms proliferation, we can expect to see an increase in cases in which the FBI joins forces with the BIS enforcement arm to stop illegal exports. Among this year's more high profile joint investigations: the indictment of two men charged with the purchase and export to Pakistan of U.S.-origin triggered spark gaps, items which can be used as detonators for nuclear weapons or to break up kidney stones, and an arrest stemming from the attempted export of an experimental, single-engine aircraft and exports of electrical components to Iran, all in violation of the U.S. embargo. The bottom line: Government eyes are increasingly monitoring your exports.
2. **You Too Must be ITAR-Compliant** – Through its International Traffic and Arms Regulations (ITAR), the U.S. Department of State's Directorate of Defense Trade Controls (DDTC) monitors and controls the export of defense articles and defense services covered by the United States Munitions List (USML). It's only logical that defense contractors need to be compliant with ITAR issues such as licensing, proper end-use of licensed exports, and prevention of unauthorized transfers. However, many firms are now learning that products and technologies they thought were of a purely commercial/industrial (i.e., nonmilitary) nature are subject to control under ITAR. The slightest tweak to a traditionally commercial item for a specific military application may shift export jurisdiction for that item from the Commerce Department

to the State Department. The bottom line: For some companies, the added responsibility of complying with a whole new set of export regulations will bring "shock and awe."

3. **Countries Join the Export Control Club** – You think U.S. export regulations are complex? Just wait until developing nations in Asia, Latin America, and Eastern Europe start introducing new and more restrictive export policies. As U.S. manufacturers continue to source goods from or set up plants in China, India, and Russia, the luster of off-shoring may lose some of its appeal as new export regulations are introduced. Examples would include the Singapore trans-shipment rules and the Chinese list-based and end-use-based export rules. The bottom line: In addition to staying current with all U.S. export regulations, corporate compliance managers will need to widen their scope and become experts in the trade requirements of other nations.
4. **More Monitoring of Corporate Behavior** – With regulations such as the Sarbanes-Oxley Act, companies are being forced to improve their systems and controls for providing investors and regulators a timely, accurate, and complete picture of financial performance. Briefly stated, compliance with Sarbanes-Oxley cannot be fully achieved without implementing a well-focused supply chain security strategy—and the government has high expectations that such standards will be met. The bottom line: For companies whose global trade activities greatly affect the financial bottom line, the government will continue to scrutinize export activities. Companies must be able to demonstrate that inter-

... U.S. corporate compliance managers will need to... become experts in the trade requirements of other nations.

nal controls and standards have been adopted companywide, with the involvement of senior management and the board of directors.

5. **Compliance Dictated by Government?** – Will government agencies start to dictate, by regulations, what an effective export compliance program must look like? That's where things seem to be heading. The U.S. government has now defined an effective ethics and compliance program for all obligations of the corporation. Each member of the board of directors has three clear obligations that are new under the sentencing guides. You heard right—members of the board are called out in the sentencing guides for corporations. He or she must be knowledgeable about the content of the compliance program, exercise reasonable oversight, and give compliance officers direct access to the board.
6. **Are You Prepared for a Paperless World?** – The good news: Companies have significant opportunities to save time and become more efficient as the export compliance world continues to grow increasingly paperless. The bad news: Not all companies are prepared to reap these rewards. More trade compliance transactions with government agencies are being conducted via the Internet, a trend that's virtually certain to continue. Among the tasks that have gone paperless are: licensing, export declarations, recordkeeping, online updates on policies and procedures, and online training. The bottom line: Update and automate your systems and processes.
7. **No Sleep for the Weary** – In the new term, there's likely to be no restful sleep for the typical corporate compliance manager. Moving goods across

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1. as a means to determine the applicable rules in a dispute if the parties have chosen transnational commercial law or if arbitrators decide to apply this concept to the dispute before them;

2. as a means to allow for an autonomous interpretation of and for the filling of internal gaps in international conventions and other uniform law instruments,

3. as a means to allow for the “internationally useful” construction of domestic law in international disputes;

4. as a means to supplement or correct a future European Civil Code in international commercial disputes;

5. as a means to provide legal know how about modern commercial law to developing and transition countries;

6. as an online discussion forum on issues of transnational law and the globalization of international business;

7. as a means to provide information about transnational law to other sciences (politics, economics, sociology) which are also exploring the clash between the territorial limitations of the law and the transnationalisation of international commerce and trade in an era of globalisation.

All those involved in the **TLDB**-project at the Center for Transnational Law at the University of Cologne sincerely hope that the Database will serve its purpose as a tool to spread the knowledge and initiate discussion about the concept of transnational law around the globe.

For more information go to:
<http://www.transnational-law.de/>

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international borders has become increasingly challenging, and this trend shows no sign of weakening any time soon. Exporters are burdened to remain current with U.S. and international trade regulations and to know exactly how to comply with them. A solid trade compliance program helps companies avoid the potential pains of conducting global business, such as fines, penalties, loss of trade privileges and bad publicity. The bottom line: Corporate compliance managers must ask themselves this question: Is maintaining an effective global trade compliance program a core competency that justifies a continuous investment in people, technology, and resources or is it a process best managed by a partner whose primary focus and business is achieving operational excellence in global trade management?

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Question: What are two key elements in any comprehensive global integrated trade compliance program?

Answer: Determine proper jurisdiction first and then classification.



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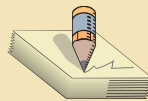
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