



# Global Watch<sup>®</sup>

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

MAY/JUNE 2008, VOLUME 9, ISSUE 8

## Collaboration Aims to Help China Control Exports

At the prompting of Secretary General Li Genxin of China Arms Control and Disarmament Association (CACDA), an important meeting was held at the University of Georgia's Center for International Trade & Security (CITS) on March 25, 2008. Its purpose was to explore ways to coordinate the globally recognized trade compliance practical standards certification established by the trade industry's non-profit Certification Board of Governors (CBG) and the political policy arena served by CITS. Although not in attendance, Secretary General Li stated the intent of the meeting was that the two organizations work together to assist CACDA's effort to validate China's control of exports.

As the global administrator of the CBG's standards program, the International Import-Export Institute (IIIEI) attended the meeting. Present were: Dr. Don Burton, President of IIIEI, Dr. Linda Sun, IIIEI's Vice President, Asia Region, Dr. Gary Bertsch, Director of CITS, Dr. Scott Jones, Director of Export Control Programs at CITS and Dr. Anupam Srivastava and Dr. Igor Khripunov, both with CITS.

During the meeting, both sides detailed their current efforts aiding China in the area of export controls and explored ways in which their efforts could be combined to further assist China's validation of export compliance of controlled goods.

CITS has worked extensively with the Chinese government and CACDA in helping them understand the implications of various export control policy options on non-proliferation issues as the Chinese develop their own export control regimen.

China - Continued on page 9

## ASEAN-Japan Free Trade Agreement

The Secretary-General of the Association of Southeast Asian Nations (ASEAN), Dr. Surin Pitsuwan, hailed the completion of signing of the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement following five years of substantive negotiations between the ASEAN Member States and Japan.

The signing of the AJCEP Agreement brings to three the number of free trade agreements signed by ASEAN with a major Dialogue Partner of ASEAN. Under the pact, Japan will

Japan-ASEAN - Continued on page 10

## Certification Board of Governors Announces "Global Horizons Scholarship"

The Certification board of Governor's (CBG), the non-profit 501(c)(3) volunteer organization that sets the standards for international trade certification globally, and Dunlap-Stone University's International Import-Export Institute (IIIEI) announce the **Global Horizons Scholarship** Program.

CBG President, John Priecko, said that the merit award of one year's tuition (6 six-week online IIIEI courses), a value of more than \$5300, will be awarded each school year beginning this Fall. The Program targets currently enrolled DSU degree students or those interested in pursuing a certification or degree at DSU.

Each year, the CBG's Scholarship Committee will award one or more

Scholarship - Continued on page 10

## Industry Cooperation Helps Raise Global Standards

Page 3

## Bureau of Industry and Security Keeps Pressure on Violators

Page 4

## Have you seen the movie? Read about the real "Lord of War"

Page 5

## In-Compliance: "Why America Needs a New Export Enforcement Law"

Page 6

## U.S. Department of Homeland Security Announces Regulatory Agenda

Page 7

## The Validated End-User Program for India

The Validated End-User (VEU) program benefits U.S. and Indian industry by facilitating high-technology trade to qualifying companies.

*VEU authorization reduces the licensing burden on industry by allowing U.S. exporters to ship designated goods to pre-approved companies under a general authorization without an individual export license.*

Being approved for VEU status enables companies in India to receive U.S.-controlled technologies more easily, quickly and reliably.

India - Continued on page 4

**GlobalWatch®** is a publication of  
**The International  
 Import-Export Institute**  
 Phoenix, Arizona, USA

### Executive Board

Dr. Donald N. Burton  
*President, IIEI*  
 Dr. Gerry Bedore, Jr.  
*Former President, EDMC Online*

### Advisory Board

**Bala R. Balaraman**, Director,  
*Indian Institute of Export Management,  
 Bangalore, India*

**Deen Rae Dell**, former Logistics Manager,  
*Tyco Electronics Power Systems,  
 Mesquite, Texas, USA*

**Robert Geddeis**, Director,  
*International Sales, Greenlee Textron  
 Inc., a division of Textron Corp.  
 Rockford, Illinois, USA*

**Fortunato J. Gerardo**, Managing Director,  
*Filinter Group Trading Co. Ltd.  
 Aurora, Ontario, Canada*

**Robin Mackay**, Managing Director,  
*Export Training Ltd, Gateshead,  
 Tyne and Wear, United Kingdom*

**Roger H. Marks**, President,  
*International Division, H2O Plus, Inc.  
 Chicago, Illinois, USA*

**Scott Arne Maynard**, Senior Consultant  
 & Principal, *Exim\*trade Int'l,  
 Austin, Texas, USA*

**Chad A. Twitchell**, Policy & Contracts  
 Team Leader, *Sandia National  
 Laboratories, Albuquerque,  
 New Mexico, USA*

**Dr. Marsha Vande Berg**, Principal,  
*International Business Associates,  
 San Francisco, California, USA*

**Frank Woods**, Former Director,  
*U.S. Dept. of Commerce,  
 Export Assistance Center,  
 Phoenix, Arizona, USA*

### IIEI Program Director

Caulyne Barron, V.P. *Online Programs*

**GlobalWatch®** is published bi-monthly  
 and is a registered trademark of the  
 International Import-Export Institute.

## Notes from the President

### I hope Everyone likes Change

by *Dr. Donald N. Burton*



There is a difference in this issue of GlobalWatch® over previous editions. Note the number of articles covering topics within our university. We tried to keep it to a minimum, but because we are growing so fast on so many fronts and needed to communicate the changes to you, we had to cut back on other topics. Next issue we hope to return to normal. If the pressure to report internal topics continues, we may be forced to add more pages to GlobalWatch®.

I am very pleased to report that even as our student population has skyrocketed, the End-of-Course Surveys show students say our instructors and administration have continued to meet the challenge and we have maintained high standards and, equally important, our constant addition of new courses (See page 10) help students meet their career goals. I am very pleased that the IIEI Student Honor Role has grown percentage wise as the number of students grows. I should point out that we now have over 160 Faculty members and start 15-30 new classes every month. This demonstrates our amazing growth. In this issue you will also note a new degree program emphasis (See page 12) for people seeking a more general management education.

The President of the Certification Board of Governors (CBG), John Priecko's announcement (See page 1) of the "Global Horizons Scholarship," co-sponsored by the CBG and DSU, is exciting. It is the first of many scholarships that we hope to help sponsor.

A huge effort is being made by the IIEI team to work with the China Arms Control and Disarmament Association and the University of Georgia's Center for International Trade and Security to help China validate control of their exports (See page 1) This collaboration could literally impact the world of trade.

We are eagerly trying to expand the number of colleges, universities and training organizations in the U.S. that teach to the standards established by the CBG. If your organizations wants to assist, please see the article on page 3.

For those of you in trade compliance, you may find the article titled Movie: "Lord of War" Fact or Fiction sending a shiver down your spine. See page 5.

U.S. Under Secretary of Commerce Mario Mancuso's article on page 6 tells those in the trade compliance arena what the future holds and how compliance enforcement is taking center stage with law makers. This stance is supported by the U.S. Department of Homeland Security's newly posted Regulatory Agenda on page 7.

Lastly, I wanted to express joy at having seen so many of our students and in meeting so many new people at our Gala Reception (See page 7) held in Seattle Washington prior to the Society for International Affairs Spring Advanced Conference. Thank you for your strong, continued support. We promise to continue working hard to meet your needs. I hope you enjoy this issue.

## Cooperation in Industry Standards Helps Education/Training Companies Worldwide

Meeting the information needs of the trade compliance industry is never going to be done by one education/training company, nor one university. It takes a team effort, with each individual and organization doing their part, if trade is to be secure and in-compliance. In short, it requires a huge team to make it happen. That is what the Certification Board of Governors (CBG) is all about.

The CBG is a non-profit all volunteer organization formed to set meaningful professional standards for those involved in international trade. Its volunteers from around the world serve on various committees offering their time and energies to make a difference in the safety of goods and services that flow the world over. To coordinate the effort, the CBG enlisted the aid of Dunlap-Stone University's International Import-Export Institute (IIEI). It is their task to publish and promote the IIEI Certification standards to providers worldwide, including colleges, universities and education/training centers. Through the network that spans the globe, the CBG's standards have become the accepted and trusted standard in almost 100 countries.

The list of domestic and international organizations and governments that are Approved Providers is growing rapidly. With the leadership of schools like the State University of New York, University of Texas Pan-American and others, the CBG's standards have gained credibility and acceptance in the classroom. Students and practitioners alike are learning to the same standard, whether they are in the U.S.,

People's Republic of China, or Egypt.

How does an organization get approved to be a provider? It is actually quite simple. Any organization, whether they are a law firm, an education/training provider, college, university or government agency, for that matter, can train to the standards without any approval. They simply provide the information set forth in the knowledge requirements established by



the CBG for any certification. That's it. All the standards and knowledge requirements are listed on the CBG's web page: <http://www.industrycertification.org/standards.htm>. That's right—any organization that desires to can teach to the CBG's recommended standards without paying any fees or even contacting the CBG or IIEI. In fact, organizations worldwide routinely use their own materials and content to educate/train individuals in accordance with the CBG's standards. Thousands of people in over 90 countries have already recognized the CBG's standards as THE standards.

There seems to be some confusion in the United States as to who can provide education/training for the industry certification programs that validates an individual's proficiency within the CBG's standards. Some believe that only IIEI can do so. That is incorrect. Any organization can teach their own materials and content to prepare professionals to sit for the industry certification examinations, such as the Certified U.S. Export Compliance Officer Certification (CUSECO). The standards are posted online for all to see. The IIEI was selected by the CBG to develop con-

## INTERNATIONAL AGREEMENTS

There has been much discussion in the U.S. over the difference between treaties and agreements, specifically in regards to Free Trade Agreements and who can approve them, the executive branch or the Senate. The following seeks to help clarify the historical nature of the issue.

### International Agreements without Senate Approval

The capacity of the United States to enter into agreements with other nations is not exhausted in the treaty-making power. The Constitution recognizes a distinction between "treaties" and "agreements" or "compacts" but does not indicate what the difference is. The differences, which once may have been clearer, have been seriously blurred in practice within recent decades. Once a step-child in the family in which treaties were the preferred offspring, the executive agreement has surpassed in number and perhaps in international influence the treaty formally signed, submitted for ratification to the Senate, and proclaimed upon ratification.

During the first half-century of its independence, the United States was party to sixty treaties but to only twenty-seven published executive agreements. By the beginning of World War II, there had been concluded approximately 800 treaties and 1,200 executive agreements. In the period 1940–1989, the Nation entered into 759 treaties and into 13,016 published executive agreements. Cumulatively, in 1989, the United States was a party to 890 treaties and 5,117 executive agreements. To phrase it comparatively, in the first 50 years of its history, the United States concluded twice as many treaties as executive agreements. In the 50-year period from 1839 to 1889, a few



## BIS Update

Bureau of Industry and Security

### French Corporation pleads guilty to Conspiracy, and Illegal Export

**Washington, D.C.** - Cryostar SAS, formerly known as Cryostar France ("CRYOSTAR"), a French corporation, headquartered in Hesingue, France, has pleaded guilty to conspiracy, illegal export, and attempted illegal export of cryogenic submersible pumps to Iran. Pursuant to a written plea agreement, CRYOSTAR must be sentenced to a criminal fine of \$500,000 and corporate probation of two years.

CRYOSTAR's guilty plea is the result of an investigation by the U.S. Department of Commerce, Bureau of Industry and Security (BIS).

**Source:** [www.bis.doc.gov/news/2008/doj04\\_10\\_08.html](http://www.bis.doc.gov/news/2008/doj04_10_08.html)

### Engineering Dynamics Inc. Pays \$132,791 Civil Penalty

The BIS announced that Engineering Dynamics, Inc. (EDI) has agreed to pay \$132,791 in civil penalties to settle a charge that it violated the Export Administration Regulations (EAR). BIS alleges that between March 1995 and February 2007, EDI conspired to export a U.S.-origin engineering software program controlled for anti-terrorism reasons through Brazil to Iran without the required U.S. Government authorization.

EDI and its co-conspirators devised and employed a scheme to market, sell, and service the engineering software program to Iranian clients through a Brazilian co-conspirator. The U.S. Department of Justice announced that EDI's owners, James C. Angeher and John N. Fowler, pled guilty on April 24, 2008, in New Orleans to a one-count bill of informa-

### Bali Group's Export Privileges Suspended

Bureau of Industry and Security (BIS) issued a Temporary Denial Order (TDO) suspending the export privileges of Balli Group PLC and related companies and individuals ("Balli Goup"), Blue Airways, and Mahan Airways for 180 days. Evidence obtained by BIS shows that the respondent parties knowingly re-exported three U.S. origin aircraft to Iran in violation of the EAR, and are preparing to re-export three additional U.S. origin aircraft to Iran in further violation of the EAR.

In addition, false statements were made to BIS regarding the ultimate destination and end-user of the aircraft. BIS has ordered the redelivery to the U.S. of the three aircraft about to be reexported to Iran, but Balli Group PLC has not complied and has indicated that it will not cooperate. Balli Group PLC and the other named Balli Group respondents are based in the U.K., Blue Airways is based in Armenia, and Mahan Airways is based in Iran.

**Source:** [bis.doc.gov/news/2008/bis\\_tdo03212008.html](http://bis.doc.gov/news/2008/bis_tdo03212008.html)

### Approved Trainers Needed

If you are an consultant, or if your company provides compliance education/training, you may want to qualify to be a Certification Board of Governors' Approved Continuing Education Provider. For more information go to

[www.industrycertification.org/\\_CEU\\_providers.htm](http://www.industrycertification.org/_CEU_providers.htm)

tion charging them with conspiracy to violate the International Emergency Economic Powers Act and the Iranian Transactions Regulations.

**India** - Continued from page 1

*Companies approved for VEU will:*

- Receive shipments of designated U.S. controlled goods on an expedited basis. After receiving an order from a VEU authorized firm for a VEU approved item, any U.S. exporter can immediately ship that item without having to first navigate the individual licensing process.
- Have more certainty and reliability in receiving U.S.-controlled items that are included in their VEU authorization. If an item is included in a company's VEU authorization, there is no uncertainty about whether an individual license application will be approved.

For complete details go to: [http://www.bis.doc.gov/internationalprograms/validated\\_end\\_user.htm](http://www.bis.doc.gov/internationalprograms/validated_end_user.htm)

**What do you need to do to move forward in your career or move your company ahead?**

Having up-to-date relevant knowledge is the key. The International Import-Export Institute at Dunlap-Stone University strives to bring relevant and timely topics to our course offerings. We welcome and appreciate any feedback from those across industry and government. If you have an idea for a course that you'd like to see added to our catalog, please email [Caulyne Barron](mailto:cbarron@expandglobal.com), Vice President of Online Programs, at: [cbarron@expandglobal.com](mailto:cbarron@expandglobal.com).

# DDTC Update

Directorate of Defense Trade Controls

## DSP-73 – Temporary Export License Applications

The following further guidance was made effective [April 15, 2008](#)

A DSP-73 application can combine demonstration to identified end-users and public trade shows. However the application must be limited to one geographic region and the parties listed on the license can only be located in that geographic region (e.g. Europe, Middle East or South America). License applica-

tions must be tailored to the requested transaction. Any deviation must be explained in the transmittal letter. If demonstration/marketing to identified end-users will exceed public domain information and release technical data a separate DSP-5 authorization must be obtained as technical data cannot be exported under a DSP-73.

**Source:** Dated April 28, 2008  
[www.pmdtcc.state.gov/  
 license\\_applications\\_requirements.htm](http://www.pmdtcc.state.gov/license_applications_requirements.htm)

### Agreements - Continued from page 3

more executive agreements than treaties were entered into. From 1889 to 1939, almost twice as many executive agreements as treaties were concluded. In the period since 1939, executive agreements have comprised more than 90% of the international agreements concluded.

One must, of course, interpret the raw figures carefully. Only a very small minority of all the executive agreements entered into were based solely on the powers of the President as Commander-in-Chief and organ of foreign relations; the remainder were authorized in advance by Congress by statute or by treaty provisions ratified by the Senate. Thus, consideration of the constitutional significance of executive agreements must begin with a differentiation among the kinds of agreements which are classed under this single heading.

### Executive Agreements by Authorization of Congress

Congress early authorized the entry into negotiation and agreement of officers of the executive branch with foreign governments, authorizing the borrowing of money from foreign countries and appropriating money to pay off the government of Algiers to

prevent pirate attacks on United States shipping. Perhaps the first formal authorization in advance of an executive agreement was enactment of a statute that permitted the Postmaster General to “make arrangements with the Postmasters in any foreign country for the reciprocal receipt and delivery of letters and packets, through the post offices.” Congress has also approved, usually by resolution, other executive agreements, such as the annexing of Texas and Hawaii and the acquisition of Samoa. A prolific source of executive agreements has been the authorization of reciprocal arrangements between the United States and other countries for the securing of protection for patents, copyrights, and trademarks.

**Reciprocal Trade Agreements.**—But the most copious source of executive agreements has been legislation which provided authority for the entering into of reciprocal trade agreements with other nations. Such agreements in the form of treaties providing for the reciprocal reduction of duties subject to implementation by Congress were frequently entered into, but beginning with the Tariff Act

Agreements - Continued on page 12

## Movie: “Lord of War” Fact or Fiction

NEW YORK- Michael J. Garcia, the U.S. Attorney for the Southern District of New York, and Michele M. Leonhart, the Acting Administrator of the U.S. Drug Enforcement Administration (DEA), announced the unsealing of an indictment against international arms dealer Viktor Bout, a/k/a Boris, a/k/a Victor Anatoliyevich Bout, a/k/a Victor But, a/k/a Viktor Budd, a/k/a Viktor Butt, a/k/a Viktor Bulakin, a/k/a Vadim Markovich Aminov, for, among other things, conspiring to sell millions of dollars worth of weapons to the Fuerzas Armadas Revolucionarias de Colombia (the FARC) — a designated foreign terrorist organization based in Colombia — to be used to kill Americans in Colombia.

Bout was arrested by Thai authorities on a provisional arrest warrant on April 9, 2008, based on a complaint filed in the U.S. District Court for the Southern District of New York, charging conspiracy to provide material support or resources to a designated foreign terrorist organization. According to the indictment unsealed today in Manhattan federal court:

“Bout, an international weapons trafficker since the 1990s, has carried out his weapons-trafficking business by assembling a fleet of cargo airplanes capable of transporting weapons and military equipment to various parts of the world, including Africa, South America and the Middle East. In 2004, as a result of his weapons trafficking activities in Liberia, the United States Office of Foreign Assets Control within the Department of Treasury placed Bout on the Specially Designated Nationals list, which prohibits any transactions between Bout and any U.S. nationals, and freezes any of Bout’s assets that are within the jurisdiction of the United States.”

Between November 2007 and March 2008, Bout agreed to sell to the FARC millions of dollars’ worth of weapons — including surface-to-air

Lord of War - Continued on page 12

# In Compliance....

## “Why America Needs a New Export Control Enforcement Law”

By Mario Mancuso, U.S. Under Secretary of Commerce

Today, many of the tools of our nation’s most dangerous and committed enemies are not made-to-order weapons, but legitimate – and, in some cases, life-enhancing – commercial items which can also hurt, maim and kill. Consider, for example, the triggered spark gap. Roughly the size of a thread spool, the triggered spark gap is a type of electrical switch that has two principal uses: it is used in medical devices that help destroy kidney stones and as a detonator in nuclear weapons.

Regulating the export of these thousands of “dual-use” items poses a particularly vexing challenge for our country, and is a core responsibility of the Department of Commerce’s Bureau of Industry and Security (BIS). For this reason, President Bush recently announced a number of historic initiatives to make our export licensing process smarter and more efficient – and one better suited to ensure proper levels of visibility and control over dual-use technologies that could one day be used to harm our nation or her friends.

But we can and should do more. To complement these regulatory efforts, Congress should move quickly to provide our law enforcement agents with the full range of statutory authorities they need to more effectively combat illegal trade in these goods.

Since 2001, our nation’s bedrock dual-use export control law, the Export Administration Act (EAA), has been in lapse. And since then, this Administration has worked to bring it back into force. Last year,

Senator Chris Dodd introduced the Export Enforcement Act (EEA) which reauthorizes the EAA and includes several other important measures that would enhance U.S. national security. We urge Congress to follow Senator Dodd’s lead, and to pass this legislation as quickly as possible.

Currently, we must exercise our authorities through temporary, emergency powers granted to us by the President under the International Emergency Economic Powers Act. Without a permanent law in place to support our efforts, preventing these technologies from getting into the wrong hands grows more difficult every day. The EEA would strengthen our efforts to regulate the export of sensitive dual-use items, and to investigate, prosecute and punish those who violate U.S. law and regulations.

The temporary authorities we now have are useful, but they do not eliminate the need for the full set of tools the new EEA would provide. As technology know-how, supply chains, and markets become more global, effectively denying the sale of sensitive U.S. technologies to those who would harm us has become more difficult—and urgent. Foreign locations now increasingly serve as the venue of commercial activities that pose a threat to U.S. national security, and we need to enhance our law enforcement capabilities to investigate, uncover, and stop these activities wherever they may occur.

While BIS special agents – our nation’s premier enforcement experts on dual-use regulations –

have done a tremendous job to date, they need updated tools to combat proliferation in an era of globalization. Currently, our agents are unable to work directly with their foreign law enforcement counterparts. In fact, they do not have the authority to conduct undercover operations—or even make a simple arrest – *in the United States* without undergoing a cumbersome bureaucratic process. While effective cooperation between U.S. law enforcement agencies has enabled our agents to overcome some of these hurdles, the EEA would strengthen the system and enhance our security by enabling domestic and international investigations and enforcement actions to proceed more quickly, efficiently, and effectively.

But the EEA would also have another important benefit: it will bolster our diplomatic efforts around the world to encourage other countries to adopt and improve their own export control laws and regimes. It is more difficult to make a credible and persuasive case to other nations to enact effective export controls when our own country does not have a permanent dual-use export control law on the books.

The Administration applauds Senator Dodd’s efforts to jumpstart the process by introducing the EEA to strengthen our dual-use export control system. We strongly support this legislation, and hope Congress acts quickly to pass it.

The writer, Mario Mancuso, serves as Under Secretary of Commerce.

Source: [www.bis.doc.gov/](http://www.bis.doc.gov/)

## IIEI and JPMorgan Host Seattle Reception



Above: Just a few of the people who stopped by our reception April 27, 2008 at the Seattle Sheraton, the evening before the Society for International Affairs' Spring Advanced Defense Trade Licensing Conference.




## DHS Issues Regulatory Agenda

On May 5, 2008, the Department of Homeland Security (DHS) issued a Federal Register notice announcing its Semiannual Regulatory Agenda. In the notice, DHS addressed, among other regulations, U.S. Customs and Border Protection's Customs, CBP) Importer Security Filing and Additional Carrier Requirements "Importer Security Filing" rule and the Transportation Security Administration's (TSA) Certified Cargo Screening Program (CCSP).

In the notice, DHS suggested that a Final Action on the Importer Security Filing Rule, also commonly known as "10 + 2," would be issued in September 2008. This rule, DHS said, "would amend DHS regulations to provide that Customs and Border Protection (CBP) must receive, by way of a CBP-approved electronic data interchange system, additional information from carriers and importers pertaining to cargo before the cargo is brought into the United States by vessel."

The Federal Register notice also suggested that an Interim Final Rule regarding the TSA's CCSP Program would be issued in August 2008. This Program "will certify shippers, manufacturers, and other entities to screen air cargo intended for transport on a passenger aircraft." The CCSP Program will be the primary means for meeting legislation requirements that call for screening



**How can this emblem  
impact your career?**

You owe it to yourself  
to find out how and why!

**CALL a Certification  
Advisor Today  
1-800-474-8013**

**Cooperation** - *Continued from page 3*  
tent standards based upon the expert opinions of the CBG's volunteers, while coordinating the various international trade certifications programs, including the development and management of the certification examination process.

Any organization is welcome to educate/train to the standards or be a proctor for the certification examinations. We all have to work together for the certification to be meaningful, which in turn will ensure that America's companies have the knowledge and skills needed to maintain security of global trade. Email your inquiries to:

[info@expandglobal.com](mailto:info@expandglobal.com)

DHS Agenda - *Continued on page 9*



## Country Profile

# Montenegro

The republic of Montenegro is slightly smaller than Connecticut. It is located in Southeastern Europe, has a coast on the Adriatic Sea to the south, borders Croatia to the west, Bosnia and Herzegovina to the northwest, Serbia to the northeast and Albania to the southeast. It has a highly indented coastline with narrow coastal plain backed by rugged high limestone mountains and plateaus. It possesses a Mediterranean climate with hot dry summers and autumns and relatively cold winters with heavy snowfalls inland.

The use of the name Montenegro began in the 15th century when the Crnojevic dynasty began to rule the Serbian principality of Zeta. Its capital and largest city is Podgorica, while Cetinje is designated as the Prestonica (meaning the old royal capital or former seat of the throne).

A Serbian principality in the Late Middle Ages, its independence from the Ottoman Empire was formally recognized in 1878. From 1918, Montenegro became a part of vari-

ous incarnations of Yugoslavia and the state union of Serbia and Montenegro. In May 2006, Montenegro invoked its right under the Constitutional Charter of Serbia and Montenegro to hold a referendum on independence from the state union. The vote for severing ties with Serbia exceeded 55% - the threshold set by the EU - allowing Montenegro to formally declare its independence on 3 June 2006, and making it the newest fully recognized country in the world. On June 28, 2006, it became the 192<sup>nd</sup> member state of the United Nations, and on May 11, 2007, the 47<sup>th</sup> member state of the Council of Europe.

During the era of communism, Montenegro experienced a rapid period of urbanization and industrialization. An industrial sector based on electricity generation, steel, aluminium, coal mining, forestry and wood processing, textiles and tobacco manufacture was developed, with trade, overseas shipping, and particularly tourism, increasingly important by the late 1980s.

The loss of previously guaranteed markets and suppliers after the breakup of Yugoslavia left the Montenegrin industrial sector reeling as production was suspended and the privatization program, begun in 1989, was interrupted. The disintegration of the Yugoslav market, and the imposition of the UN sanctions in May 1992 were the causes of the greatest economic and financial crisis since World War II. This period also experienced the second highest hyperinflation in history (3 million percent in January 1994).



## Montenegro at a Glance

**GDP:** \$26.38 billion (2006 est.)

**GDP - real growth:** 6% (2007 est.)

**GDP - per capita (PPP):** \$3,800 (2005 est.)

**Inflation Rate:** 3.4% (2004)

**Labor Force:** 259,100 (2004)

**Unemployment Rate:** 14.7% (2007 est.)

**Population:** 678,177 (July 2008 est.)

**Exports:** \$171.3 million (2003)

**Exports - Commodities:** Not Available

**Exports - Markets:** TSwitzerland 83.9%, Italy 6.1%, Bosnia and Herzegovina 1.3% (2006)

**Imports:** \$601.7 million (2003)

**Import - Commodities:** Not Available

**Import - Markets:** Greece 10.2%, Italy 10.2%, Germany 9.6%, Bosnia and Herzegovina 9.2% (2006)

**Foreign Exchange Rate:** euros per US dollar - 0.7345 (2007)

**Internet Users:** 266,000 (2006)

**Internet Hosts:** 672 (2003)

**Internet Service Providers:** 1 (2002)

**Telephones - mobile cellular:** 575.900 (2003)

Source: CIA World Fact Book

In 1997, Milo Đukanović took control over the ruling Democratic Party of Socialists of Montenegro (DPS) and began severing ties with Milosević's Serbia. This was followed by implementation of faster and more efficient privatization, passing of reform laws, introduction of Value Added Tax and usage of Euro as Montenegro's legal tender.

China - Continued from page 1

Over the past 30 years CITS has worked with more than forty countries in developing their export policies.

Historically in China, said Dr. Jones, CITS assistance has been in providing policy alternatives and reviews of policy issues to high level Chinese decision makers so that China is able to develop practical policies for controlling exports. Recently CITS has started to offer this policy training at its Georgia campus.

IIEI's efforts in China, said Dr. Sun, IIIEI's Vice President, Asia Region, have been in working with colleges, universities and education/training centers across China to bring the CBG's global standards of trade compliance to those actually working in or seeking careers in international trade related fields. By having China's workforce meet the standards of certification for one of the CBG's nine different globally accepted international trade related certifications, Dr. Sun said China will have validated its worker's knowledge and ability to control exports. Dr. Burton and Dr. Sun further explained how IIIEI's successful Certified U.S. Export Compliance Officer® Program was now accepted worldwide by the aerospace and defense industry as the certification of proficiency in the U.S. export controls program. Dr. Burton described the progress already

underway for the Certified PRC Export Compliance Officer® Program and how the input of CITS and others could provide critical value in its development and execution. He emphasized Secretary General Li's desire to have IIIEI and CITS collaborate to make the Chinese certification program a reality in China.

There appeared to be agreement during the meeting that both organizations had much to gain by working together with CACDA to assist China in meeting the World Trade Organization's mandate that China demonstrate her ability to control exports. A follow-up meeting was held in Beijing, China in April, attended by Secretary General Li Genxin of CACDA, Dr. Sun of IIIEI and Dr. Bertsch and several of his staff.

As they continue to meet, the exchange of ideas continues. Recently, Secretary General Li expressed optimism to Dr. Sun, saying that he recognizes that importance of having China's export controls meet globally accepted standards as established by the industry's CBG.

Dr. Sun informed Secretary General Li that IIIEI's President was nominating him to be a member of the CBG's Advisory Council, a distinguished and prized position with global recognition. Secretary General Li Genxin said he was honored and accepted the nomination.

Want a Gift?



Wear your Certified U.S. Export Compliance Officer® pin to any of the conferences IIIEI attends and you will receive a gift from us. If we run out as we did at the recent Society for International Affairs Spring Advanced Conference, we will mail your gift you once we return to our office.

Regardless of whether we have a booth at the event, are hosting a hospitably suite, or just attending the event, show us you are wearing you pin and receive a gift. It is that easy.

Forgot to take your pin to the event? Our representative generally has more. Show your certification ID card and we will give you a pin. Put it on and you can claim your gift. You'll be surprized at how many of you there are. You worked hard to earn your industry certification. Show it off and get a prize for your effort.

DHS Agenda - Continued from page 7

of all air cargo transported on passenger aircraft by 2010.

As stated in the Federal Register, "the regulatory agenda is a semiannual summary of all current and projected rulemakings, review of existing regulations, and completed actions of the Department of Homeland Security and its component agencies and divisions."

The full text of the Federal Register notice can be accessed online at:

<http://edocket.access.gpo.gov/ua080505/ua080506.txt> or in .pdf <http://edocket.access.gpo.gov/ua080505/pdf/ua080506.pdf>

Courtesy: Expeditors Newsflash, [expeditors.newsflash@expeditors.com](mailto:expeditors.newsflash@expeditors.com)

Visit  
[www.usexportcompliance.com](http://www.usexportcompliance.com)



**ALL** of the top **50** U.S. aerospace and defense companies have enrolled employees in courses leading to industry certification.

## You Asked for them. We Listened.

### More New Courses Debut

IIEI is pleased to offer several new requested courses over the next few months.

#### **Introduction to OFAC (Office of Foreign Assets Control) Regulations - IIEI-318**

**Description:** This six-week online course explores in detail the regulations of the U.S. Treasury's Office of Foreign Assets Control (OFAC). The student will study the structure of OFAC regulations and their foundation in law. Also included is an exploration of: Country-based and list-based Sanctions, Specially Designated Nations, Licenses, Reporting and Record-keeping. The focus of this course is on providing compliance professionals with a hands-on, working understanding of the practical aspects of OFAC.

Prerequisite: none  
Course Credit: 3.0 Credit hours

#### **Legal Environment of Business - IIEI-440**

**Description:** This intense, upper-division six-week online introductory law course explores the legal and regulatory environment of business. It examines law as the foundation for business; reviews the law as a method for dispute resolution through the court system and litigation; it explores the principles of contract law, criminal law and intellectual property and culminates with a review of various regulations impacting business.

Prerequisite: None  
Course Credit: 3.0 Credit hours

#### **Information Systems in Global Business - IIEI-385**

**Description:** This six-week online course explores the role information technologies (IT) and information technology infrastructures have on the business in the global marketplace of today. It examines how businesses use networked digital information technologies as part of global e-business strategy, how key systems integration becomes a critical part of enterprise solutions, and how business value in today's competitive world is tied to the design and management of the latest technologies used in information systems in this digital age.

Prerequisite: None  
Course Credit: 3.0 Credit hours

#### **Compliance with the U.S. Foreign Corrupt Practices Act - IIEI-317**

This six-week online course is designed to introduce students to the principles and practices of the U.S. Foreign Corrupt Practices Act (FCPA). Students will study in detail its components and jurisdiction, and the impact for U.S. exporters, importers, investors in foreign projects, and others subject to the FCPA. Emphasis will be on maintaining FCPA compliance by individuals and organizations.

Prerequisite: None  
Course Credit: 3.0 Credit hours

**Call and speak with an Advisor or Counselor for class start dates. (800) 474-8013**

Japan-ASEAN - *Continued from page 1*

remove tariffs on 93 percent by value of imports from ASEAN within 10 years. Six major ASEAN members - namely Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand - will reciprocate by eliminating tariffs on 90 percent of imports from Japan within 10 years.

ASEAN had earlier signed the Trade in Goods and Trade in Services Agreements with China and the Republic of Korea. Dr. Surin said that "the signing adds another milestone in ASEAN's economic engagement with its Dialogue Partners and the three agreements collectively will set the stage for bringing to a higher level the ASEAN Plus Three economic cooperation".

The AJCEP Agreement is ASEAN's first economic partnership that is comprehensive in scope. It covers such fields as trade in goods, trade in services, investment, and economic cooperation.

Source: [www.aseansec.org/21471.htm](http://www.aseansec.org/21471.htm)

Scholarship - *Continued from page 1*

scholarships to individuals who are selected from all those who apply. The scholarship courses must be taken within 12 months from the scholarship award date. It's anticipated that students may only receive the scholarship award only once. Further information, applications and additional requirements will be available in July 2008 on the CBG & DSU websites at [www.industrycertification.org](http://www.industrycertification.org) & [www.dunlap-stone.edu](http://www.dunlap-stone.edu) respectively. Please do not ask your IIEI Advisor or Counselor for details. They will see them at the same time they are posted online.

## You Signed Up for Class, What Next?

By Caulyne Barron, VP Online Programs

It is very common for new students to be anxious as they near the start of their first online class, especially if they've been out of school for a while or are unsure about online learning. I've had conversations with many students over the years who just don't know quite what to expect when they sign-up for one of our courses. So let me tell you just what I've told them.

Administratively, correspondence with the IIEI follows a predictable timeline. Once you've registered for your course, you'll receive a confirmation from the administrative department. The registration deadline is always one week before the class starts. All of our courses begin on Thursdays. The Tuesday before your class starts, you'll re-

ceive a "Welcome to Class" email that provides you with your user-name and password, as well as instructions for accessing the online classroom. We highly recommend that you log into the classroom at that time—before your class begins. Troubleshooting or a classroom tour with our Technical Support staff is always available during business hours, but students often find it easier if they resolve any concerns that Tuesday or Wednesday. If you're not quite comfortable or just not 100% sure of how to best navigate the classroom, please do not hesitate calling and arranging a classroom tour.

Once your class begins, you'll have access to your weekly lecture and assignments document(s) as well as the week's discussion question

folders. Remember, you can only work in the week that you are currently in, or previous weeks, but not future week's materials. The new material is opened each Wednesday evening by the IIEI technical team.

Students participate in the classroom five out of seven days per week. You pick which five days of the week that work for you. As busy professionals, we understand that you're adding homework and participation into an already crowded schedule. On average, we suggest that students devote at least 8 to 10 hours a week to their studies. Some students will require less time, while others become what I jokingly call "classroom junkies." They simply can't seem to go more than a few hours without obsessively checking the discussion folders in their classes. They simply are having too much fun!

Some days, if you're busy at work, you may spend only 15 minutes reading and responding to discussion question postings. Other days, you may have an hour's worth of reading, along with a case study to write, or perhaps a short paper. But, because you can view all of the week's requirements on Wednesday or Thursday, students tell us they are able to schedule their time accordingly and fit classes around all of the other demands on their time.

Many students are surprised that the courses are more than just showing up and passively reading lectures. In fact, some find them a bit demanding as online learning requires everyone to participate. Remember, these are college-level courses at an accredited university. But, this shouldn't instill panic or hesitation: our courses are designed specifically for you, as a working professional. We want you to succeed and we know that you will. If you have any questions or concerns at any point in your relationship with the IIEI, please do not hesitate to contact an Advisor or someone on our IIEI support team.

### Complying with the International Traffic in Arms Regulations (ITAR)

The Los Angeles offices of U.S. Commercial Service, U.S. Department of Commerce invites you to participate in a one-day seminar jointly sponsored by JPMorgan and the law firm of McKenna Long & Aldridge LLP



**Wednesday, July 30, 2008 7:30 AM - 5:00 PM**

**Online Registration at:** [//www.buyusa.gov/westlosangeles/itar.html](http://www.buyusa.gov/westlosangeles/itar.html)

**Seminar Fee: \$295 per person**  
**Deadline for Payment: July 25, 2008**

Space is limited - Breakfast, Lunch and Snack included

*For more information or to reserve sessions, please contact:*

**Delia Valdivia**

U.S. Commercial Service  
(310) 235-7203

[delia.valdivia@mail.doc.gov](mailto:delia.valdivia@mail.doc.gov)

**Amy Magat**

U.S. Commercial Service  
(213) 894-3966

[amy.magat@mail.doc.gov](mailto:amy.magat@mail.doc.gov)

Reserve your free one-hour counseling sessions held the following day available on a first-come first-serve basis.

Reserve your time today. Time slots are very limited.

**JPMorgan**

Jointly sponsored by

**McKenna Long & Aldridge**  
Attorneys at Law LLP



This event also qualifies for Continuing Education Unit credit for IIEI Certification



**New Bachelor Degree Program Emphasis  
Announced for Fall 2008**

Here are the new courses for the Management degree emphasis:

- Customer Service Basics (IIEI-111)
- Information Systems in a Global Business (IIEI-385)
- Business Statistics (IIEI-160)
- Business Finance (IIEI-300)
- Human Resource Management (IIEI-360)
- Legal Environment Of Business (IIEI-440)
- International Business Ethics (IIEI-303)

Call your Advisor or Counselor today to find out which specific courses these replace.

**(800) 474-8013**

**FREE electronic  
subscription to  
GlobalWatch®**

If you're not a subscriber,  
go to [www.dunlap-stone.edu](http://www.dunlap-stone.edu)  
and sign up now!

**Agreements - Continued from page 5**

of 1890 Congress began to insert provisions authorizing the Executive to bargain over reciprocity with no necessity of subsequent legislative action. The authority was widened in successive acts. Then, in the Reciprocal Trade Agreements Act of 1934, Congress authorized the President to enter into agreements with other nations for reductions of tariffs and other impediments to international trade and to put the reductions into effect through proclamation.

**Source:**

[www.law.cornell.edu/anncon/search/display.html?terms=international%20trade&url=/anncon/html/art2frag21\\_user.html](http://www.law.cornell.edu/anncon/search/display.html?terms=international%20trade&url=/anncon/html/art2frag21_user.html)

In response to your many requests, we are pleased to announce a new Bachelor Degree Program available for Fall 2008. The new program has been designated "Bachelor of Science in International Trade with a Management Emphasis." The program is for students seeking an alternative to the heavy government regulatory emphasis focus of the ITAR, EAR and other regulations within our Trade Compliance emphasis program. This new degree concentration focuses on topics important to people preparing for management careers, but who are still concerned with the international aspects of business.

Similar to other general management degrees from other schools, our new program includes human resource management, business law, information systems and customer service basics. However, because to succeed in the current marketplace, all businesses today must think global, the threads of international trade and business are woven throughout our new course offerings. Students currently enrolled in the bachelor degree program may opt for this emphasis for their degree or add it as an additional emphasis area. Contact your Advisor or Counselor for more information. (800) 474-8013.

**Certified U.S. Import  
Professional® (CUSIP)**

**Coming Soon**

Complete details and requirements regarding this and other new certifications will be published in the next issue of GlobalWatch.®

**Lord of War - Continued from page 5**

missile systems (SAMs), armor piercing rocket launchers, AK-47 firearms, millions of rounds of ammunition, Russian spare parts for rifles, anti-personnel land mines, C-4 plastic explosives, night-vision equipment, "ultralight" airplanes that could be outfitted with grenade launchers and missiles, and unmanned aerial vehicles. Bout agreed to sell the weapons to two confidential sources working with the DEA (the CSs), who represented that they were acquiring these weapons for the FARC, with the specific understanding that the weapons were to be used to attack United States helicopters in Colombia.

As described in the Indictment, during a covertly recorded meeting in Thailand on March 6, 2008, Bout stated to the CSs that he could arrange to airdrop the arms to the FARC in Colombia, and offered to sell two cargo planes to the FARC that could be used for arms deliveries. Bout also provided a map of South America, and asked the CSs to show him American radar locations in Colombia. Bout said that he understood that the CSs wanted the arms for use against American personnel in Colombia, and advised that the United States was also his enemy, stating that the FARC's fight against the United States was also his fight. During the meeting, Bout also offered to provide people to train the FARC in the use of the arms. .

If convicted, Bout faces a maximum sentence of life imprisonment on each of Counts One through Three, including a mandatory minimum sentence of 25 years' imprisonment for Count Three. Bout faces a maximum sentence of 15 years' imprisonment on Count Four.

"Viktor Bout has long been considered by the international community as one of the world's most prolific arms traffickers," said U.S. Attorney Michael J. Garcia. "Today, Bout is in Thai custody facing extradition to the United States, where he will be prosecuted for agreeing to arm a terrorist organization, an aim of which was to kill American citizens."

**Source:** [//www.usdoj.gov/opa/pr/2008/May/08\\_nsd\\_380.html](http://www.usdoj.gov/opa/pr/2008/May/08_nsd_380.html)



## IEI Certifications

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

### Certified Exporter®

- |                     |                        |
|---------------------|------------------------|
| Carlos Aguirre - TX | Adhara Morales - TX    |
| Neyda Galnarez - TX | Esther Navarro - TX    |
| Huseyin Koksak - NM | Melissa Palacios - TX  |
| Freddie Loera - TX  | Maria Pina - TX        |
| Blanca Lopez - TX   | Abraham Villareal - TX |

### Certified International Trade Logistics Specialist®

- |                              |                          |
|------------------------------|--------------------------|
| Junichi Kikuchi - Japan      | Keitaro Youezawa - Japan |
| Yumi Kodama - Japan          | Hong Shun - Japan        |
| Daichi Muneoka - Japan       |                          |
| Megumi Nakagawanishi - Japan |                          |
| Maya Tsuchimoto - Japan      |                          |

### Certified U.S. Export Compliance Officer®

- |                        |                       |
|------------------------|-----------------------|
| Teresa Adams - FL      | Carlos Hernandez - TX |
| April Baker - IL       | Andrew McBride - FL   |
| Jennifer Brown - VA    | Todd Smith - CA       |
| Richard Capovilla - WA | Lesley Spring - NM    |
| George Clark - KS      | Helen Strahl - IL     |
| Debbie Gruss - PA      | Trevor Wright - CA    |

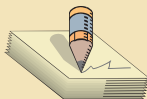
## Did you know...

**at the 2008 Society for International Affairs Spring Advanced Defense Trade Licensing Conference there were more than 50 Certified U.S. Export Compliance Officers® in attendance.**

**Note:**

All individuals listed in this issue that earned their CE certification attended the University of Texas Pan-American. All CITLS® shown were trained at Matrix Learning, CA.

Disclaimer: IIEI Certification credential testing is separate from Dunlap-Stone University and the International Import-Export Institute. Distance Education and Training Council (DETC) accreditation does not cover such certification. All courses offered by DSU/IEI that help prepare individuals for IIEI Certification testing are accredited by DETC.



## IEI Student Honor Roll

Honor - Distinction - Excellence

*The students shown here have demonstrated outstanding "A" performance for two or more consecutive semesters.*

- Stanley Allen
- Ellen Anderson
- April Baker
- Rose Bertino
- Sharon Bliss-Chandler
- David Browning
- Tim Busch
- Eddie Chan
- Brad Chatfield
- Denice Clark
- Deanna Eggleston
- Cecilia Emmanuel
- Cathy Forgey
- Sandy Gehrin
- Babette Green
- Robin Green

- Kimberly Harper
- Cristy Hurd
- Paula Ireton
- Manabu Ishii
- Brett Johnson
- Michelle Johnson
- Nathan Johnston
- Mery Jones-Prout
- Lindsay Kelly
- Candice Knuteson
- Ryszard Kokoska
- Kristen Kopp
- Laura Koss
- Kathryn LaFay
- Maria Lievanos
- Janet Longo

- Sue MacDonald-Nans
- Lisa Maldonado
- Lazara Martinez
- Patrick Matsumura
- Rita McCabe
- Jennifer McCann
- Kaori McCoy
- Mackalister Medina
- Glenda Milner
- Juan Misle
- Michelle Moon
- Angie Nelson
- Michael Noack
- Raj Ohneswere
- Evelina Protasova
- Beanetta Roberts

- Robyne Roberts
- William Roden
- Julie Sandercock
- Gisela Schaefer
- David Schweikart
- Marie Siler
- Lesley Spring
- Mark Springer
- Tamara Sprinkle
- Helen Strahl
- William Tallon
- Teri Taylor
- Tyler Ward
- Michael Wineinger
- Alicia Worthington
- Phillip Zerbe

***Congratulations!***



# The International Import-Export Institute

*at Dunlap-Stone University*

11225 North 28th Drive, Suite B-201

Phoenix, Arizona USA 85029

Phone: (800) 474-8013 Outside U.S. (602) 648-5750

Fax: (602) 648-5755

Email: [info@expandglobal.com](mailto:info@expandglobal.com)

Visit us Online at: <http://www.dunlap-stone.edu>

Sign up for your FREE email subscription to GlobalWatch® today!



## Dunlap-Stone University's International Import-Export Institute



Bachelor of Science in International Trade Management Program

Choose one of these Emphasis Areas

**Global Supply Chain Management**  
**Trade Compliance Management**  
**New General Management**

*New Semester  
Starting Soon!*

**Enroll today**

Great careers don't just happen,  
they are planned!



Speak to an Academic Advisor today about your goals for tomorrow!

Visit our Website at [www.dunlap-stone.edu](http://www.dunlap-stone.edu)  
or Call (800) 474-8013 - Outside the U.S. 01-602-648-5750