



# OKLAHOMA INTERNATIONAL TRADE BULLETIN



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**The Bureau of Industry and Security  
Outreach and Educational Services Division  
And the Oklahoma District Export Council**



**Presents "Complying with U.S. Export Controls" and  
"Complying with ITAR - Export Defense Articles and Service"**

**September 15-17, 2009 - Sheraton at the Reed Conference Center,  
Midwest City, Oklahoma**

## **Complying with U.S. Export Controls (September 15-16)**

The two-day program is led by BIS's professional counseling staff and provides an in-depth examination of the Export Administration Regulations (EAR). The program will cover the information exporters need to know to comply with U.S. export control requirements on commercial goods.

## **Complying with ITAR - Export Defense Articles (September 17)**

This full day program is designed for any person or company who exports (or temporarily imports) defense articles, defense services, or technical data.

## **Registration**

Advance registration is required for the seminar and space is limited. The fees for the conference are: \$420 for both BIS and ITAR (3 days); \$350 for BIS only (2 days); \$195 for ITAR (1 day). The fee includes continental breakfast, lunch, coffee break, and materials for the three-day program. The registration fee is not refundable after August 15, 2009. Substitutions may be made at any time. Registration will be accepted until Thursday September 10, 2009, or until registration is filled. For online registration, please go to <http://www.acteva.com/booking.cfm?bevaaid=182767> (password: bisitarok). For off line registration, make your check payable to the Oklahoma District Export Council and mail your check and registration to 301 N.W. 63<sup>rd</sup> Street, Suite 330, Oklahoma City, Oklahoma 73116. A registration form is included below.

For additional information, please go to [http://www.bis.doc.gov/seminarsandtraining/tulasok\\_sept\\_09.htm](http://www.bis.doc.gov/seminarsandtraining/tulasok_sept_09.htm) or contact the Oklahoma City U.S. Export Assistance Center at (405)608-5302, (800)879-6552, extension 223 or [oklahomacity.office.box@mail.doc.gov](mailto:oklahomacity.office.box@mail.doc.gov) or the Tulsa U.S. Export Assistance Center at (918)581-7650.

## **Other Questions?**

For more information or questions on the topics to be covered, please call BIS's Outreach and Educational Services Division at (202) 482-6031 or contact either one of our offices at (405)608-5302, (800)879-6552, extension 223, (918)581-7650 or [oklahomacity.office.box@mail.doc.gov](mailto:oklahomacity.office.box@mail.doc.gov).

**Registration Form**

Please Mail, Fax, or E-mail back to:  
U.S. Department of Commerce  
301 N.W. 63<sup>rd</sup> Street, Suite 330  
Oklahoma City, Oklahoma 73116

Fax to: 405-608-4211 E-mail to: [oklahomacity.office.box@mail.doc.gov](mailto:oklahomacity.office.box@mail.doc.gov)

\*\*\*Make check payable to Oklahoma District Export Council\*\*\*

Name(s): \_\_\_\_\_ Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Website: \_\_\_\_\_

Complying with U.S. Export Controls and Complying with ITAR (\$420 per person): \_\_\_\_\_

Complying with U.S. Export Controls (\$350 per person): \_\_\_\_\_

Complying with ITAR (\$195 per person): \_\_\_\_\_

Number of Attendees: \_\_\_\_\_ Amount Enclosed: \$ \_\_\_\_\_

**[Frequently Asked Questions \(FAQs\) about Export Licensing Requirements for Commercial Items](#)**

**Q. If my item is EAR99, does that mean I don't need a license?**

**A.** EAR99 items will generally ship under the designation "NLR" which stands for "No License Required". However, if your proposed export of an EAR99 item is to an embargoed country, to an end-user of concern or in support of a prohibited end-use, you may be required to obtain an export license.

**Q. If I determine my item is classified EAR99 and I can ship under NLR, what do I need to do?**

**A.** You indicate "NLR" as your authorization for export on the Automated Export System record. By submitting via AES (or designating your freight forwarder to do so), you are certifying that your item is eligible for NLR. You should also keep records relating to your NLR determination and the export transaction for five years.

**Q. What do you mean by prohibited end-user or end-use?**

**A.** If you know or have reason to know your item would support a proliferation activity, such as nuclear, chemical/biological, or missile proliferation activities in a country of concern, a license would be required. Part 744 of the Export Administration Regulations spells out the specific regulations related to end-user and end-use controls.

**Q. Do the licensing requirements change depending on how I'm sending the item?**

**A.** No. Export license requirements stay the same regardless of the method of shipment or transmission. This includes technology shipments via the Internet or items carried in a briefcase. [Note: although license requirements may not change, license exception availability may (i.e. BAG or TMP.)]

For the complete guide of FAQs about export licensing requirements, please go to [http://www.bis.doc.gov/pdfpublications/bis\\_booklet.pdf](http://www.bis.doc.gov/pdfpublications/bis_booklet.pdf).

## Don't Let This Happen To You! – Actual Investigations of Export Control and Antiboycott Violations

**The Violation:** Company made 45 exports of controlled pumps and valves to Taiwan, China, and Israel, without the required export licenses. The items are controlled for their potential use in chemical and biological weapons, and would have required a license for shipment to Taiwan, China, or Israel.

Company had previously received a Warning Letter for the unlicensed export of controlled pumps.

**The Penalty:** Company agreed to pay a \$264,000 administrative penalty.

**The Violation:** Company exported power amplifiers to the People's Republic of China without the required licenses. The amplifiers are controlled for national security reasons.

**The Penalty:** Company was sentenced to one year of supervised probation and a \$15,000 criminal fine, together with a \$85,000 criminal forfeiture previously ordered. In addition, the company was denied export privileges for five years.

**The Violation:** Company exported crime control items (handcuffs, riot helmets, fingerprinting equipment, and face shields) without first obtaining the required licenses, and exported three shipments in excess of the licensed value to foreign consignees in 41 countries including Egypt, Mexico and France. In addition, company failed to file Shipper's Export Declarations ("SEDs") for some shipments and misrepresented the license authority on SEDs that it filed for other shipments.

**The Penalty:** Company agreed to pay an administrative penalty of \$1,102,200.

**The Violation:** Company and its former president failed to obtain required export licenses for shipments of detector log video amplifiers (DLVA). The items are controlled for national security reasons. Company shipped the items to a company controlled by the Chinese government. Company also failed to obtain export licenses under the deemed export provisions of the Export Administration Regulations for Chinese nationals who worked at the company controlled by the Chinese government and were trained in DLVA manufacturing technology controlled by the EAR.

**The Penalty:** Company agreed to pay a \$339,000 criminal fine. The president of the company was sentenced in July 2005 to imprisonment for twelve months and one day. BIS assessed the company a \$275,000 administrative penalty (suspended) and the president a \$187,000 administrative penalty (suspended) and issued orders denying both the company and the president's export privileges for 20 years.

**The Violation:** Company, through its branch office in Abu Dhabi, United Arab Emirates ("UAE"), re-exported helmets, gas masks, detection equipment, filters, and other related safety equipment to Iran and Syria from the UAE without the required U.S. government authorization.

**The Penalty:** Company agreed to pay an administrative penalty of \$470,000.

## Multilateral Development Banks (MDBs)

Multilateral Development Banks (MDBs) are international organizations that provide billions of dollars in financing and technical assistance to governments in developing countries all around the world. Many companies are familiar with some of these organizations, such as the World Bank, and how they help many developing countries, but may not realize that MDB projects also provide opportunities for U.S. companies to grow or establish a new business presence in those markets.

MDB funds create opportunities for U.S. companies in projects across a wide spectrum of industries. Since MDB-funded project spending is usually broken up into a large number of smaller purchases rather than a few large contracts, there are many opportunities for small and medium-sized companies to pursue. For more information about MDBs, please go to

[http://www.export.gov/articles/marketofmonth/eg\\_main\\_020102.asp](http://www.export.gov/articles/marketofmonth/eg_main_020102.asp).

**International Property Rights (IPR) Webinar – The Top 15 IP Mistakes Many Small Businesses are Making – September 17, 2009 – 9:00 a.m. Central Time**

This free webinar will focus on key factors that will enable small and medium sized businesses to:

- Examine their business to see what may be eligible for IP protection;
- Do a cost/benefit analysis to determine which IP protection measures make sense; and
- Find out how to protect and enforce IP rights internationally.

For more information or to register for the webinar, please go to <http://www.buyusa.gov/philadelphia/iprwebinar.html>.

**Market Research Reports:**

***Canada: Aerospace and Defense Industry***

Canada offers one of the most open, accessible and transparent markets for U.S. goods and services outside of the United States. As the sixth highest military spending economy in NATO, the Government of Canada (GoC) is a significant purchaser of aerospace, defense and security products. U.S. organizations account for the largest share of military contract awards by the GoC. In fact, Canada trades US\$3.5 billion of defense and security products and technologies annually. For more information and to view the market research report, please go to [http://www.buyusainfo.net/docs/x\\_9679227.pdf](http://www.buyusainfo.net/docs/x_9679227.pdf).

***Colombia: Building Materials Industry***

During the last two years, the government of Colombia has increased its efforts to reactivate the construction industry which has attracted new investment in this key sector. Construction activity has increased in urban areas, including new shopping centers, industrial plants and road infrastructure. This offers favorable conditions for U.S. companies exporting building products and equipment. The total market of Building Materials has grown steadily during the last three years. In 2008, the market reached US\$872.2 million representing 13.4% growth over 2007. Imports from the United States represent 17.9% of the total imports. Some of the best prospects for building products imports into Colombia include: glazed ceramic; non-wired glass; unglazed ceramic; cooper tubes and pipes. For more details, please visit [http://www.buyusainfo.net/docs/x\\_8073890.pdf](http://www.buyusainfo.net/docs/x_8073890.pdf).

***China: Energy Efficiency Market and Opportunities***

As China goes through an unprecedented era of economic growth, it also struggles with energy demands as well as pollution from the coal used to said demand. China is searching for energy alternatives as it realizes the need for sustainability. In order to find ways to reduce energy consumption, the NDRC (National Development and Reform Committee) has set a series of goals that should be achieved by 2010 in the 11<sup>th</sup> 5 year plan. This paves the way for growth in the green energy market in China, where the government has invested an estimated \$438.9 billion USD for the next 3 years. It is currently one of the most dynamic industries and is well sponsored by the government. It is an area where foreign expertise is needed and where there are opportunities for foreign companies to thrive. For further details on the market research report, please go to [http://www.buyusainfo.net/docs/x\\_6184170.pdf](http://www.buyusainfo.net/docs/x_6184170.pdf)

**September 2009 Calendar of Events**

<b>Date:</b>	<b>Event:</b>	<b>Contact:</b>
September 2, 2009	Minority and Women's Breakfast Metro Tech Conference and Banquet Center	(405)427-4444
September 15-16, 2009	Complying with U.S. Export Controls The Reed Center, Midwest City	(405)608-5302 or (918)581-7650
September 17, 2009	Complying with ITAR The Reed Center, Midwest City	(405)608-5302 or (918)581-7650