



# THE CIEDEC QUARTERLY

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### 2007

#### CIEDEC Meetings

- February 22, 2007
- April 10, 2007
- August 15, 2007
- November 14, 2007

## Cargo Insurance: Sawyer Cook (Arrowhead CU)

### San Bernardino, California

For the last ten years, Arrowhead Credit Union (ACU) and the Inland Empire Export Assistance Center (EAC) have enjoyed working in close partnership to promote and facilitate international trade. Larry Sharp, President and CEO of ACU, is the current chairman of the Inland Empire District Export Council.



Together with the Inland Empire EAC, ACU has helped bring U.S. ambassadors and foreign commercial officers into close contact with local businesses to encourage foreign trade. Most recently, ACU hosted a market briefing for Saudi Arabia to support an upcoming trade mission to the country.

Aside from aiding in trade events, ACU helps companies put their exporting plans into practice. Through Sawyer Cook Insurance, a wholly owned subsidiary of ACU located in San Bernardino, California,

the company provides its clients with risk management, insurance consultation, bank investment, financial planning, tax services, and business loans.



Larry Sharp, Chairman of CIEDEC

## Energy Power Generation: Combustion Associates 2006 MBDA National Exporter of the Year: Corona, California



Mr. Mukund Kavia, founder of Combustion Associates, Inc. and his wife Kusum (CIEDEC member), are the winners of the 2006 National Minority Exporter of the Year Award.

California Inland Empire District Export Council (CIEDEC) member Kusum Kavia and her husband, Mr. Mukund Kavia, an Asian Indian Entrepreneurs and founder of Combustion Associates, Inc. (CAI), were recognized by the Minority Business Development Agency's National Director Ronal N. Langston as MBDA's 2006 National Minority Exporter of the Year Award winner during the 24th National Minority Enterprise Development (MED) Week conference in Washington D.C. Conference speakers included U.S. Commerce Secretary of Commerce Carlos M. Guitierrez, U.S. Secretary

Continued on page 21



**“to contribute leadership & business experience in export expansion”**



The California Inland Empire District Export Council (CIEDEC) is an organization of local leaders, appointed by the U.S. Secretary of Commerce, whose knowledge of international business provides a source of professional advice for local firms. The current network of District Export Council members in the United States includes over 1,500 volunteers.

**Chair**

Larry Sharp

**Vice-Chair**

Lori Van Arsdale

**Treasurer**

Don Driftmier

**Executive Secretary**

Fred Latuperissa

**Past-Chair**

Mark Stanley

**Member**

Roy Paulson

**Member**

Karen Bowerman

**Member**

Norm Martin

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U.S.A.

[www.ciedec.org](http://www.ciedec.org)

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**Meet the Members**

*\* denotes Executive Board of Directors*

Greg Bourque  
Dean Carson  
**\*Donald Driftmier**  
Lynda Goldberg  
James Henwood  
Deron Marquez  
Tim Murphy  
Casy Obiha  
Jennifer Rausch  
**\*Larry Sharp**  
**\*Mark Stanley**  
Richard Stockton  
**\*Lori Van Arsdale**  
Jeffery Williamson  
**\*Karen Bowerman**  
Scott Fischler  
John Husing  
Uwe Janssen  
**\*Fred Latuperissa**  
Eddie Khoury  
Kavia Kusum  
**\*Norm Martin**  
Sally Palmer  
John Parks  
**\*Roy Paulson**  
Hebab Quazi  
Joan Sparkman  
Jeffery Standart  
Carlos Valderrama

Cabo Yachts  
Transit Sales International  
**Vavrinek, Trine, Day & Co., LLP**  
Lyndamark/Metropolitan District  
Fairplex  
San Manuel Band of Mission Indians  
Comerica Bank- CA  
Bluefield Associates  
Inland Empire Tourism Consultant  
**Arrowhead Credit Union**  
**MicroCool (a division of Nortec Industries)**  
Atlas Medical Technology  
**Peace World International**  
Riverside Community College - CITD  
**California State University San Bernardino**  
Netozoic  
Economics & Politics  
Rauch International  
**U.S. Department of Commerce**  
Fedex  
Combustion Associates  
**The Mardel Group, Inc**  
Lobbyist  
HardHatBid  
**Paulson MFG**  
MARTECH International, Inc.  
Temecula Valley Bank  
XRT- Express Reefer Transport, Inc.  
Carlsmith Ball LLP

# DEC: Public-Private Program for Exports

A common misconception is that America's small companies can't sell in world markets, and only large multinationals can. Yet, in 2001, the latest year for which data is available, 97 percent of all U.S. exporters were small and medium-sized firms, accounting for nearly one in every three dollars of U.S. exports.

America's small and medium manufacturers (SMMs) can compete in the global economy if the playing field is fair and level, and

that's why free trade agreements (FTAs) are so important. Since 2001, Congress has approved FTAs with 15 countries. Export growth to partners where FTAs were implemented between 2001 and 2005 was twice as fast as U.S. export growth to the world. The United States ran a \$12 billion goods surplus with these FTA partners in 2005, with total goods exports of \$42.3 billion.

To promote small- and medium-sized company

exporting, the National DEC Steering Committee develops and evaluates strategies to facilitate international trade beginning at the local level. The California Inland Empire District Export Council has five subcommittees each dedicated to enhancing a particular aspect of exporting.

All subcommittee chairs are under the guidance of the National DEC Steering Committee Chair and will coordinate and distribute information to all DEC's.

## VISIT



CIEDEC's  
website at:  
[www.ciedec.org](http://www.ciedec.org)



## The CIEDEC Committees



### Trade Policy: CIEDEC Chair Roy Paulson

The Trade Policy subcommittee is responsible for addressing trade policy matters that are considered to be of strategic national importance, that will contribute to the creation of a strong national economy within the global economic society in which we operate, and that can be affected positively through the activities of the DEC's. Some of these issues may fall into the sphere of current legislative activity while others may not.

### Legislative Affairs: CIEDEC Chair Don Driftmier

The Legislative Affairs subcommittee is responsible for addressing all legislative issues that are of importance to Commerce and/or the DEC's in general. These issues may be at the federal level, or at the state level.

### Commercial Resources: CIEDEC Chair Norm Martin

The Commercial Resources subcommittee is responsible for addressing all resources such as Power Points, reports, graphs, miscellaneous information, etc., needed by any Steering Committee subcommittee or any DEC in general. This subcommittee is also responsible for the communications infrastructure, ensuring the proper communications resources are in place.

### Education/Outreach: CIEDEC Chair Karen Bowerman

The Education/Outreach subcommittee is responsible for addressing all education and outreach issues that are of importance to commerce and any DEC in general. This subcommittee will evaluate outreach programs needed to address all relative issues both within Commerce and the DEC's. These programs will be developed with the help of Commerce's Education Outreach designee, for distribution to each DEC. This committee will also evaluate "Best Practices" education and outreach programs that various DEC's have in place and pass this information to the other DEC's for their use.

### Electronic Communications: CIEDEC Chair Mark Stanley

The Electronic Communications subcommittee is responsible for addressing all electronic communications issues that are of importance to commerce and any DEC in general. This subcommittee will coordinate and distribute information to all DEC's through the National DEC Web Site. It will ensure that website content is current and applicable to the requirements of the DEC's. The Chair will work closely with the Electronic Communications designate at the Department of Commerce.



To learn more  
about DEC issues,  
visit  
[www.decissues.com](http://www.decissues.com)



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CIEDEC's website at:  
www.ciedec.org



**Bluefield Associates, Inc.** was awarded the **Inland Empire International Business Exporter of the Year Award.**



INTERNATIONAL  
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## Company Export Profiles

### Native American Tribe: San Manuel Band of Serrano Mission Indians, San Bernardino, California

A Native American Success Story

Wander just 60 miles due east of Los Angeles and you will

find yourself at San Manuel Indian Bingo & Casino. One of several clans of the Serrano Indians, the San Manuel Band of Serrano Mission Indians, named after its great leader – Santos Manuel, is a 200-member, federally-recognized Indian tribe located near the city of Highland, California. The San Manuel Reservation was established in 1891, at which time it was recognized as a sovereign nation. The reservation is nestled along the foothills of the San Bernardino Mountains.

Since first opening for bingo



in 1986, the casino has grown substantially over the years. But do not let all the slot machines and black jack tables fool you. As Vincent Duro, Vice Chairman of the tribe, describes, "People see a casino and think it's a bunch of rich Indians, but that's not what we've done with the money." Believe it or not, this characterization is right on the money.

San Manuel Band of Mission Indians



Manuel is one of the largest employers in the Inland Empire, employing more than 3,300 locals, and donates generously to charity each year. In an effort to safeguard the people of San Bernardino, the tribe made a \$2 million donation of three fire engines and one hazardous materials vehicle to the city in 2000, followed by another

donation of 10 thermal imaging cameras in 2002 to various Inland Empire fire stations. To encourage education, San Manuel

*Continued on page 19*

### Bluefield Associates Inc.: Ontario, California

CLEAR ESSENCE.  
CALIFORNIA  
WELLNESS CENTER  
& SPA RESORT

Bluefield Associates, Inc., a minority-owned company located in Ontario, California, is a manufacturer of high quality beauty products, specifically Clear Essence Beauty Skin Care System, a



unique line of skin care products specially formulated for people of color. As a valued client of

US Foreign Commercial Service, Bluefield has effectively participated in Department of Commerce-certified trade shows and has successfully utilized the Gold Key and

other Commerce data resources. Bluefield has been a client of the Ontario office since January 1998 and began working with Trade Specialist Evelyn Coloma in 2001.

Since then, Bluefield has captured practically the entire market region of Africa with their aggressive use of the Gold Key Matching service program and the professional assistance provided by the Lagos Post.

Capitalizing on its knowledge of the market-

*Continued on page 8*



International Company Profile programs and

# Company Export Profiles

## Safety and Security: Paulson Manufacturing, Temecula, California

Since 1947, Paulson Manufacturing specializes in equipment for eye and face protection. The company provides innovative products for the public safety agencies (police, fire, medical), industrial workers, and US military. It conducts research and development for the Department of Defense in state of the art abilities. All design, manufacturing and inspection of their products is done at their facilities in California. In 2004, Congressman Darryl Issa presented the company with the CIEIBA Exporter Achievement.

Director Fred Latu-

perissa has been working with Paulson Manufacturing



Roy Paulson is the President of Paulson Manufacturing and a CIEDEC member. His company specializes in Safety Equipment.

President Roy Paulson since 2002 on company inquiries for their products and engineering services from overseas customers. Through a combination of market research, trade leads, and trade show events, the Inland Empire Export Assistance Center has helped Paulson Manufacturing expand their business internationally. The company now conducts business on six continents.

To learn more about Paulson Manufacturing, visit the company's website at <http://www.paulsonmfg.com/>.

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CIEDEC's website at: [www.ciedec.org](http://www.ciedec.org)




K&N is the recipient of the US Commercial Export Achievement Certificate and the Inland Empire Business Association's Exporter of the Year Award.

## K&N Engineering: Riverside, California

K&N Engineering is a multinational corporation with headquarters located in Riverside, California. The company is well-known worldwide as one of the leading manufacturers of automotive filters for over 35 years. It employs about 800 people and exports to over 100 countries. Despite its corporate success, the company continues to exist as a family-owned business with an enthusiastic mindset and a direct connection with motor sports that carries over throughout all levels of management.

K&N Engineering has been an active client of Inland Empire U.S. Export Assistance Center for over

eight years and has been counseled by Trade Specialist Eduard Roytberg since 2001.



K&N is the recipient of many awards, including the US Commercial Export Achievement Certificate (2003) and the Inland Empire International Business Association's Exporter of the Year Award (2002). Through the years of active relationship with the U.S. Commercial Service, K&N Engineering

was provided with a variety of export assistance, which included market research reports and trade leads forwarded via Automotive Team's E-Market Express newsletter, a number of international market briefings, featured U.S. exporter registration in over 20 countries, participation in the USEAC-organized seminars, Gold Key service, etc.

Most recently, K&N participated in the U.S. Department of Commerce's International Buyer Program at

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Israel Hernandez  
will be the  
Keynote Speaker  
at the Pacific  
Southwest Joint  
DEC Conference  
at Cal Poly  
Pomona on March  
29, 2007.



INTERNATIONAL  
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## Services Help Firms Go Global

U.S. Exporters are Competing and Winning in International Markets

by Israel Hernandez

A solutions-based organization that helps U.S. companies export and looks out for American business interests abroad, the Commercial Service has a seamless network of trade specialists in 109 cities and at American embassies and consulates in nearly 80 countries (visit [www.export.gov](http://www.export.gov) to locate the nearest office).

The Commercial Service also anchors an energy team with expertise in power generation, renewable energies, coal, and oil and gas. And our trade specialists work with many U.S. companies to help them explore global opportunities.

The importance of exporting is well known, as it helps companies to diversify their portfolios in world markets and stay competitive, contributing to the U.S. economy and job growth. Yet, while many smaller suppliers are successful at reactively meeting the demands of larger oil and gas equipment and refining companies, we often find that smaller firms have not given serious thought about becoming "proactive exporters." By this, we mean developing an ongoing outreach export strategy supported by the company's top management.

Many times, this does not happen because companies believe that exporting is too burdensome or they have not been previously exposed to government export resources such as the U.S. Commercial Service and

financing agencies. Compounded with the extensive global diversity of the oil and gas sector, it is easy to understand why smaller U.S. firms might find the export process time-consuming and challenging.

However, the reality is that while there is always some inherent risk to exporting, one of the greatest risks to business growth and survival is not exploring a company's full business potential by looking beyond U.S. borders—where more than 70 percent of the world's purchasing power exists—in today's competitive global economy.

### Excellent Opportunities

Highly respected worldwide for its technological innovation, engineering and reliability, U.S. oil and gas technologies have a strong competitive niche, and will be in growing demand to meet the needs of the worldwide oil and gas markets.

And while there are many companies that have yet to take advantage of export opportunities, many others are well on their way to achieving their export goals with help from the U.S. Commercial Service network. There are a number of success stories of U.S. companies from all parts of the country that are exporting an array of oil and gas technologies around the world. One of many examples includes a MicroCool, a California business from the Inland Empire engaged in cooling and humidification systems.



Israel Hernandez is assistant secretary for trade promotion and director general of the U.S. Commercial Service, which was created by Congress to help U.S. companies—particularly small and medium-sized businesses—make sales in international markets. As the single point of contact in the U.S. government for trade promotion and business advocacy assistance, Hernandez oversees a global operation of more than 1,700 employees operating in 47 states and 80 countries. In fiscal 2005, the U.S. Commercial Service helped facilitate nearly 12,500 business export successes worth billions of dollars in U.S. export sales, and conducted tens of thousands of counseling sessions with U.S. companies. Prior to his confirmation, Hernandez served as a senior advisor to U.S. Secretary of Commerce Carlos Gutierrez, and to the acting under secretary for international trade. Before joining the Commerce Department, he served as deputy assistant to President George W. Bush and as a deputy to Senior Advisor Karl Rove. Hernandez holds an M.P.A. from the George Bush School of Government and Public Service at Texas A&M University.

## Oil and Gas Technologies: MicroCool, Thousand Palms, Ca

### Cooling an LNG Complex in Trinidad and Tobago

by Israel Hernandez

Mark Stanley likes to keep things cool for his customers. As export sales manager for MicroCool Engineering Concepts of Thousand Palms, Ca., he markets a line of industrial humidifiers and outside high pressure water misting systems for use in a wide variety of industries, including precooling for turbines, air conditioners and plant facilities. Among his pursuits was to outfit a liquefied natural gas facility in Trinidad and Tobago with a nearly \$500,000, six-ton misting machine that will cool the industrial complex by pumping 200 gallons of water a minute. "It is the biggest sale we have ever done," says Stanley. "We have not built something like this before." Powered by a pump module, the water flows through 8,000 nozzles mounted on 6,000 feet of stainless steel tubing, thereby increasing the cooling efficiency of radiators and air coils in the facility and lowering the temperature. The cooler the liquefied gas, the more easily it is compressed and stored in tankers—saving time and cost, and enabling the gas to be shipped faster to destinations such as the eastern United States. According to Stanley, the technology also saves companies up to 15 percent in energy costs. Stanley says his company had developed the initial lead, but was concerned about completing several aspects that might delay or impede a successful sale. "We were not sure if an export license was required, how much the duty rates



MicroCool Engineering Concepts of Thousand Palms, Ca., has worked closely with the Inland Empire USEAC. Shown here, from left to right, are Mike Lemche, general manager of MicroCool; Fred Laturerissa, director of the U.S. Commercial Service's Inland Empire Export Assistance Center; and Mark Stanley, export sales manager for MicroCool.

might be, and had certain questions about the writing of the contract," Stanley says. "I have been around long enough to know that running into roadblocks and mistakes in the process could prove very costly to our firm in time, money and resources, but I also knew where to go for help." Stanley is referring to his long-term relationship with the Commercial Service's Inland Empire U.S. Export Assistance Center, where, since 1993, MicroCool has received export counseling, market research, information on trade events and the *Commercial News USA* catalog magazine that is distributed to thousands of potential buyers through U.S. embassies abroad—all of which have enabled him to export to several countries. While working his export deal in Trinidad and Tobago, Stanley once again sat down with the local trade specialist

for export counseling and was taken through a review of the entire export process, covering issues such as documentation, customs and logistics. For example, the Commercial Service worked with Stanley in contacting the Bureau of Industry and Security and determining that no export license was required, and after resolving several other issues, Stanley was encouraged to put the export process in motion. Stanley says his firm sold a similar unit to an energy facility in Saudi Arabia, and expects to utilize Commercial Service assistance to tap growing opportunities in this fast-growing export market as well. "As a small company, the Commercial Service has been invaluable to our export growth over the years, and particularly when it comes to helping us make and validate contacts," Stanley says. "This is

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## VISIT



CIEDEC's  
website at:  
[www.ciedec.org](http://www.ciedec.org)



"As a small company, the Commercial Service has been invaluable to our export growth over the years, and particularly when it comes to helping us make and validate contacts."

-Mark Stanley,  
export sales  
manager for  
MicroCool



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## Economics & Politics: CIEDEC Exclusive

### 2006 Inland Empire Job Growth Figures are Strong

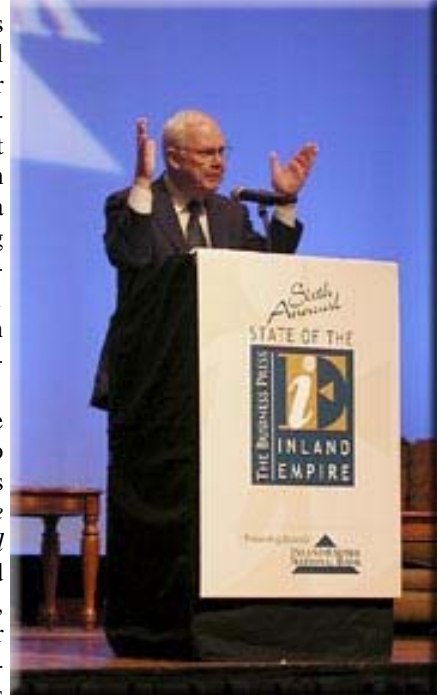
By John Husing, Ph.D.

On March 2<sup>nd</sup>, the California Employment Development Department (EDD) released its revised 2006 job growth numbers for the Inland Empire and the results were extraordinarily strong. Where EDD had originally estimated that the region's job growth had slowed to 30,000 jobs in 2006, they found that the growth was actually 48,200 jobs or a powerful 3.7%. In fact, the region's growth was more than the 47,100 jobs created by San Diego and Orange counties combined.

Looking at growth by sector, several themes jumped out of the data. Importantly, the third greatest increase, 5,800 jobs, was in the professional, scientific and technical sector. This is the highest paying portion of the economy. It represented

12.1% of the new jobs added and an annual growth rate of 16.6% for the category. This increase was consistent with the recent surge in office construction in an area that is requiring more and more professionals to serve its 4.1 million residents and an economy with 1.3 million jobs.

Showing the importance of trade to the region, the logistics sector (*wholesale trade plus transportation and warehousing*) was had the most job growth, adding 7,200 jobs or 15.0% of the 48,200 increase. The sector's growth was a strong 6.4% above its 2005 level. Of similar impor-



Dr. John Husing, CIEDEC member and founder of Economics & Politics, Inc., was named one of the 100 most powerful people in Southern California by the L.A. Times Magazine in 2006.

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### Bluefield Associates Inc., continued from page 4

place, Bluefield has diversified its business sectors to include food franchising, theme parks, shopping centers and spa resorts. The company is currently working in partnership with Diplomat Investments Nigeria Limited to build a multi-million dollar five-star resort and spa in Ikoyi Island, Lagos, Nigeria. The project, called Clear Essence Wellness Center and Spa Resort, is scheduled for completion in October 2007. To date the project has brought over \$1 million USD of business to numerous companies from



Mr. K.C. Obioha, President of Clear Essence Cosmetics USA, Inc. is a member of CIEDEC.

the Inland Empire representing the technology, construction and equipment industries. The main theme of this

resort will be the total relaxation and rejuvenation of the mind, soul and body for the hardworking citizens and expatriates of Nigeria, a country of about 120 million people.

At the recent World of Color Beauty Expo held in Oakland, California, Clear Essence was awarded "Best Package Design". In 2004, Bluefield Associates, Inc. was awarded the Inland Empire International Business (IEIBA) Exporter of the Year and named EX-IM BANK'S Small Business Exporter of the year.

# Inland Empire Region of S. California

A fundamental shift has taken place in the world economy. Competition in the international market no longer lies on the assembly line, rather, economic might is increasingly determined by the productivity, application, and utilization of information. The Inland Empire region of southern California is well poised to launch itself into the challenges of the new millennia.

The Inland Empire is defined as San Bernardino and Riverside counties, and a portion of eastern Los Angeles County. The two-county area forms the largest Metropolitan Statistical Area (MSA) in the nation, and ranks as the 14th most populous in the United States with approximately 28,000 square

miles. If the Inland Empire was a state, it would rank



30th largest in terms of population at 3 million, and 32nd largest in terms of total income at \$52 billion.

The U.S. Department of Commerce, Inland Empire Export Assistance Center, Ontario, CA, supports businesses from Pomona to Palm Springs to Temecula and Barstow. The region supports over 3,000 manufacturers in manufacturing of

automotive and related equipment, housing, recreational vehicles, medical devices, and wastewater treatment. The region is among the nation's best suited areas for international trade. The excellent locale and distribution infrastructure facilitates the process of bringing goods into and out of the area. With a dollar value increase in exports of \$767 million from 1993 to 1998, the area has an astounding 70.2% growth rate. Ranked in terms of export dollar increases, the region stands 51st in the nation, placing the IE in the top 20% of the fastest growing US metropolitan centers. At \$680 billion in total export sales for 1998, the region ranked 59th in the nation.

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CIEDEC's website at:  
[www.ciedec.org](http://www.ciedec.org)

For more information on how to apply for the "E" Award, visit [www.buyusa.gov/inlandempire/news.html](http://www.buyusa.gov/inlandempire/news.html)

## President's "E" Award

The President's "E" Award was created by Executive Order of the President on December 5, 1961, to afford suitable recognition to persons, firms, or organizations which contribute significantly in the effort to increase United States exports.

The President's "E Star" Award, which was authorized by the Secretary of Commerce on August 4, 1969, affords continuing recognition of noteworthy export promotion efforts.

During World War II, more than 4,000 "E Pennants" were presented to war plants in recognition of production excellence. The fa-

mous flag with the big "E" emblazoned on it became a badge of patriotism in action. President Kennedy revived the World War II "E" symbol of excellence to honor and provide recognition to America's exporters. Thus, the "E" Award Program was established by Executive Order 10978 on December 5, 1961. The "E Star" was authorized in 1969 to recognize "E" Award winners for continued efforts in export expansion.

Winners of the "E" and "E Star" Award are au-

thorized to fly the blue and white banner, to display the accompanying certificate of commendation which is signed by the Secretary of Commerce in the name and by the authority of the President, to wear and issue to employees an "E" lapel pin, and to refer to the award in their advertising.



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CIEDEC's website at:  
[www.ciedec.org](http://www.ciedec.org)



For more news on what's new in exporting,

Visit the new face of commerce at [www.commerce.gov](http://www.commerce.gov)



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## Record Exports in 2006

**New Delhi, India** - With today's release of the 2006 annual trade numbers, U.S. Commerce Secretary Carlos M. Gutierrez issued the following statement praising American companies and workers for making 2006 a record year in exports, and encouraged Congress to support the President's trade agenda.

"In 2006, American workers and businesses had a banner export year with an all time record high of over \$1.4 trillion in exports of goods and services. For the first time in nearly a decade, the growth rate of exports outpaced the growth rate of imports.

"Our booming export numbers show the

competitiveness of American workers and companies. Our companies send more U.S. products to more international markets than ever. Here in India, for example, we have seen American exports growing rapidly, up 26 percent last year with growth in a range of industries from



Carlos M. Gutierrez was sworn in on February 7th, 2005.

medical devices to energy. Our nation's prosperity is dependent on engaging and winning in international markets.

"Today's numbers show significant export growth to almost all of America's key trading partners, with American exports rising to 29 out of 30 of our largest trading partners, including export growth of more than 20 percent to countries diverse as Germany (21%), Brazil (25%), China (32%), and Chile (30%).

"While these record numbers show tremendous progress, we still need to do more to grow our exports, open new markets, promote

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### Thinking of Exporting? Your Local U.S. Export Assistance Center is Ready to Help You!



INTERNATIONAL  
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For export assistance, visit

[www.buyusa.gov/](http://www.buyusa.gov/)

inlandempire



Our staff is ready to help you with our extensive coverage of industries located in the Eastern Los Angeles, Riverside, and San Bernardino Counties.

**Inland Empire U.S. Export Assistance Center**  
Ontario, California

**(909) 466-4134**

Fred Latuperissa  
Evelyn Coloma  
Eduard Roytberg

**Cabazon U.S. Export Assistance Center**  
Indio, California

**(760) 342-4455**

Cynthia Torres

# World Trade Month Events

World Trade Conferences, Inland Empire Region of S. California

May 9	Riverside
May 16	Riverside
May 22	Rancho Cucamonga
May 23	Ontario
May 31	Ontario

For more information, call the Inland Empire USEAC at (909) 466-4134 or check our website for updates at [www.buyusa.gov/inlandempire](http://www.buyusa.gov/inlandempire)

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CIEDEC's website at:  
[www.ciedec.org](http://www.ciedec.org)



## 2007 Asia Pacific Business Outlook Conference: Los Angeles


The 20<sup>th</sup> Annual Asia Pacific Business Outlook (APBO) is North America's premier event for executives who want to develop and improve their trade and investment opportunities in the Asia/Pacific region. This year's conference is produced by the Center for Global Business Excellence at the USC Marshall School of Business together with the U.S. Depart-

ment of Commerce. Attendees will hear from over 50 Asia business experts and have ample time for Q&A as well as private consultations.



### March 26-27

University of Southern California, Davidson Conference Center  
Register now at [www.apbo2007.com](http://www.apbo2007.com) or call (213) 740-7130  
Early registration (until Feb. 26): \$775  
Regular Registration: \$925



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CIEDEC Quarterly  
2940 Inland Empire Blvd., Ste. 121  
Ontario, California 91764

## Save the Date: 2007 National DEC Conference: Florida

Join us to discuss conducting business throughout the world in a period of increased risk.

### The Great Debate: The Future of U.S. Trade

Sponsorship Opportunities Available

**November 7-9 in Tampa, Florida**  
**Downtown Hyatt Regency**  
**Registration Opening Soon**  
For more information, visit:  
<http://www.floridaexporter.com>



Hyatt Regency, Downtown Tampa

Visit [floridaexporter.com](http://floridaexporter.com)

Call (813) 864-6508

## Save the Date: 2008 National DEC Conference: California

CIEDEC will be the host for the 2008 National DEC Conference in the Inland Empire region of Southern California. The event will be held at the Wyndham Hotel in Palm Springs from October 15-18, 2008.



Wyndham Hotel, Palm Springs

For more information, please call (909) 466-4146.

Visit [www.ciedec.org](http://www.ciedec.org).



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*Trade Winds Forum*, presented by the U.S. Department of Commerce, will feature **33 U.S. Senior Commercial Service Officers** arriving from U.S. Embassies across Europe, Africa and India. Currently stationed overseas, each of these Senior Commercial Officers (SCO) is in a unique position to deliver the most up-to-date information on developing opportunities for U.S. busi-

ness. *Trade Winds Forum* will also feature leading experts from the private sector and key U.S. government officials addressing important industry trends and trade topics critical to all successful U.S. exporters.

This two-day event will feature plenty of networking opportunities with all panel speakers as well as several keynote addressees on the opportunities and chal-

lenges globalization presents to the U.S. international business community.

Whether you have been exporting for decades or are just preparing a market-entry strategy, you can't miss this opportunity to get the latest market information and advice your company needs to grow your international business.

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## Cross Border Truck Safety Inspection Program: NAFTA Trucking Provision Activated

Since 1982, trucks from Mexico have been able to drive only in the roughly 25-mile commercial zone along the U.S. border and can make deliveries in U.S. cities like San Diego, El Paso and Brownsville. Cargo destined beyond the commercial zone must be off-loaded and transferred, which has given rise to a highly inefficient international supply chain on our southern border.

Every day, nearly \$2.4 billion in trade flows between the United States,

Mexico and Canada. The economies of all three countries have grown by more than 40 percent since NAFTA was signed. **75** percent of this commerce is carried by commercial trucks, but the current system of transferring products from the truck of one country to that of the other costs consumers \$400 million a year. Long-haul trucking to and from Mexico will allow goods to get to the marketplace as efficiently as possible on both sides of the bor-

der which translates into cost savings to the consumer.

The Cross Border Truck Safety Inspection Program is a limited, year-long demonstration program that will permit up to 100 Mexican trucking companies to make deliveries beyond the commercial zones. An equal number of U.S. trucking companies will be able to cross the border and compete in the Mexican marketplace for the first time ever.

### MicroCool Engineering Concepts, continued from page 7

just one more example of how having someone with the working knowledge of export

resources and on-the-ground contacts can help minimize any potential obstacles in the

export process, and now we just completed a \$500,000 sale to Trinidad and Tobago."

## Save the Date

# Middle East Free Trade Area (MEFTA) Trade and Investment Conference

Sponsored by the U.S. Department of Commerce

**March 29, 2007 - London, United Kingdom**

The U.S. Department of State along with the kingdoms of Bahrain, Jordan, Morocco and Oman invite you to participate in the Middle East Free Trade Agreement (MEFTA) Trade and Investment Conference, which will highlight the accelerating investment and dynamic business climates created by recent U.S. Free Trade Agreements with Bahrain, Jordan, Morocco and Oman.

The MEFTA Trade

and Investment Conference, to be held in London on Thursday, March 29, 2007, will provide a unique forum for U.S. and Arab business leaders to identify strategic business opportunities and partnerships in some of the most rapidly growing economies of the Middle East and North Africa. Government leaders, including the Prime Minister of Morocco, Minister of Trade and Industry of Jordan and the Chief Execu-

tive of the Economic Development Board of Bahrain will join us to address the booming commercial landscape and promote business opportunities. Further, executives of U.S. enterprises operating in the region will provide first-hand accounts of their companies' experience.

**For more information, including registration, please visit the website [www.trademeetings.com](http://www.trademeetings.com).**

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For more information on the Middle East Free Trade Area (MEFTA) Trade and Investment Conference,

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## American Real Estate and Services

AREAS Exhibition in Hong Kong Attracts Foreign Investment to the U.S.

by Stewart Ballard, Chief Commercial Consul

On September 26 - 29, 2006, CS Hong Kong implemented the American Real Estate and Services (AREAS) program, the first-ever Federal-State public-private partnership of its kind to promote American real estate and related services to Asia-based buyers. The goal of this pioneering effort was to connect participating smaller U.S. firms with qualified business contacts and potential buyers.

The four-day, multi-faceted AREAS program included a 21-booth exhibition featuring 7 State Govern-

ments and 14 small-to-medium, size enterprises, a two-day business seminar with 22 speakers and 60-

**"This event was more than incredible. Your AREAS event is probably one of the most important things that you could do for the USA." —Leon Katz, Commercial Brokers, Inc.**

attendees, a 60-person VIP dinner, a 200-person cocktail reception, two networking lunches, a press conference and 80 one-on-one appointments tailored for 10 different visiting U.S. companies.

AREAS was the culmination of a one-year, office-wide effort designed to break ground in a new in-

dustry sector, generate services export successes, generate revenue, foster teamwork among CS Hong Kong staff

an increase cooperation with other CS posts and USEAC's. The feedback from participating firms was overwhelmingly positive, many noting excellent leads and new business relationships that resulted from their participation in AREAS, and many noting that they would participate in future AREAS events.



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CIEDEC's website at: [www.ciedec.org](http://www.ciedec.org)



In 2006, ITA assisted tens of thousands of U.S. companies to pursue their international business strategies through its network of more than 109 domestic and 80 international offices.



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# What Made 2006 a Record Export Year

U.S. Exporters are Competing and Winning in International Markets

by David Levey

## Fast-Growing Export Sectors

Among the fastest-growing sectors in manufacturing exports

were capital goods, such as airplanes, semiconductors, and industrial machines; industrial supplies, such as petroleum prod-

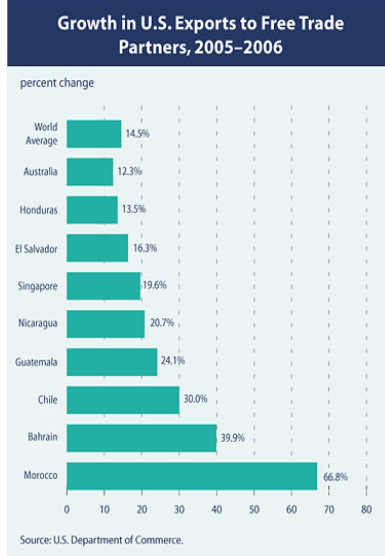
ucts, organic chemicals, and precious metals; and automotive vehicles, parts, and engines. In services, travel and passenger fares stood out, with a record \$107.4 billion in receipts last year.

## Exports to China and Other Developing Markets

In 2006, one of the most important export trends was the continued boom in trade with advanced developing countries such as China, India, and Brazil. Ten years ago, exports to China were \$12.0 billion. Today, China is the fourth-largest export market for the United States, as well as the second-largest trading partner. Exports to China grew by 31.7 percent to \$55.2 billion in 2006. In context, U.S. exports to China were

greater than exports to Argentina, France, Italy, Russia, and Spain combined.

U.S. exports to India increased by 26.3 percent in 2006, while exports to Brazil increased by nearly as much to 25.1 percent. Among the industries that made headway last year in those challenging markets were the energy sector (such as civilian nuclear technology), electrical machinery, organic chemicals, and aircraft and medical equipment.



## Significance of Free Trade Agreements

Free trade agreements (FTAs) have proved to be one of the best ways to open up foreign markets to U.S. exporters. Today, the United States has FTAs with 13 countries. In 2006, six new FTAs were implemented: with Bahrain, El Salvador, Guatemala, Honduras, Morocco, and Nicaragua. Last year, trade with countries that the United States has FTAs was significantly greater than their relative share of the global economy. Although comprising 7.3 percent of global GDP (not including the United States), those FTA countries accounted for 42 percent of U.S. exports.

U.S. trade with Chile provides a great example of the

benefits of an FTA. Before the agreement with Chile in 2003, U.S. exports were \$2.7 billion. Liberalizing trade in the intervening years has had a dramatic effect on trade volumes. By 2006, Chile became one of the top 30 U.S. export destinations, with nearly \$6.8 billion in exports, a 30 percent increase over 2005 and a 150.1 percent increase since the FTA went into force.

Not only has the volume of exports to Chile increased, but so has the U.S. share of Chile's overall import market, which has risen from 14.5 percent in 2003 to 16.0 percent in 2006. Several U.S. industries have benefited from the trade growth with Chile, including high-tech, commodity, and finished goods, such as surgical equipment, airplanes, petroleum derivatives, and earth-moving equipment.

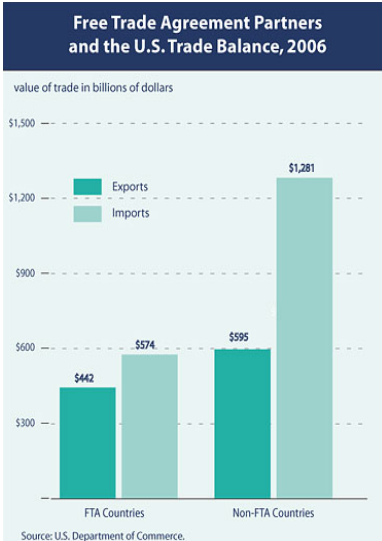
## Other Areas of Significant Export Growth

FTA partners and advanced developing countries were significant sources of U.S. export growth in 2006, but they were not the only countries where U.S. exporters found new markets.

Many traditional trading partners saw more U.S. products at their docks and in their warehouses, with export growth seen in 29 of the top 30 U.S. export partners in 2006. For example, U.S. exports to Germany were up 20.9 percent, while exports to the United Kingdom, the largest European trading part-

ner for the United States, increased 17.6 percent. Switzerland saw a 34.1 percent increase, and Turkey entered the top 30 markets with 34.2 percent growth.

**Prospects for Future Growth**  
With the favorable exporting climate, 2007



promises to be another great year for U.S. trade abroad. As President George W. Bush remarked when he visited a Caterpillar Inc.

plant in East Peoria, Illinois, on January 30, 2007, "The United States is 5 percent of the people in the world; that means 95 percent live outside of America. Shouldn't we try to put ourselves in a position where we can sell goods and services to those 95 percent? I think it makes sense to do so."

*David Levey is a writer in the Office of Public Affairs in the International Trade Administration.*

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CALIFORNIA INLAND EMPIRE  
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DISTRICT EXPORT COUNCIL

## Forum to Focus on Economic Growth, Regional Cooperation in the Americas

by David Weems

Progress continues in organizing the topics that will be the focus of this June's inaugural Americas Competitiveness Forum in Atlanta, Georgia. U.S. Secretary of Commerce Carlos M. Gutierrez will host the forum on June 11-12, 2007. The forum will

provide a venue for government ministers, leaders from the private sector, academics, and representatives of non-governmental organizations from the Western Hemisphere's democratic countries to explore cutting-edge ideas and to highlight best practices for sparking innovation, economic growth, and regional cooperation in competitiveness.

### Outgrowth of Argentina Summit

The Americas Competitiveness Forum is an outgrowth of the November 2005 Summit of the Americas, which

reported that Latin American economies grew, on average, 4.3 percent in 2005, fueled by demand for commodities. Foreign direct investment in Latin America was more than \$54 billion, a 46 percent increase over 2003. The International Monetary Fund reports that Latin American economies grew, on average, 4.3 percent in 2005, fueled by demand for commodities.

### Need for Entrepreneurial Growth

The World Bank's 2007 Doing Business database found that most Latin American countries have been much slower than the rest of the emerging world to implement business-friendly reforms. Such reforms foster competitiveness, which is a driving factor in economic growth. Similarly, the World Economic Forum's *Global Competitiveness Report 2006-2007* concluded that of the 22 Latin American and Caribbean countries ranked in the report, only 9 had improved their competitiveness ranking



provide a venue for government ministers, leaders from the private sector, academics, and representatives of non-governmental organizations from the Western Hemisphere's democratic countries to explore cutting-edge ideas and to highlight best practices for sparking innovation, economic growth, and regional cooperation in competitiveness.

was held in Mar del Plata, Argentina. At that meeting, President George W. Bush recommended that a high-level meeting be convened to focus on improving the region's competitiveness. Growth in Latin America has been robust during the past several years. In 2004, for-

Continued on page 16

For more information on the Americas Competitiveness Forum, visit <http://trade.gov/competitiveness/ACF>



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About 71 percent  
of the exhibitors  
in the 2006  
Rebuilding Iraq  
Trade Expo made  
sales during the  
show.



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## Regional Cooperation in the Americas Forum, continued from page 15

from the previous year. Both the database and the report highlighted steps that governments could take to unleash the full potential of entrepreneurs.

Enhancing the competitiveness of the region—thereby spurring job growth and increasing prosperity and security—is one of the top priorities for the Department of Commerce's International Trade Administration, which, with support from other U.S. government agencies, is organizing the forum.

### Four Main Topics of Discussion

Four topics have been identified for the forum: (1) spark-

ing and sustaining innovation, (2) creating solutions in education and workforce development, (3) designing successful global supply-chain strategies, and (4) fostering small business development and growth.

The innovation track will examine the growth in innovative service industries and trends in alternative energy technology, biosciences research, and national innovation management. The education and workforce development track will examine how education and training relate to workforce development. It will also look at the crucial role those combined factors play in strengthening

competitiveness. The global supply-chain strategies track will explore how supply-chain efficiency has become a key factor in creating a competitive advantage in the global economy. Finally, the small business development and growth track will discuss ways to facilitate business creation and to foster the entrepreneurial spirit through trade financing, effective branding and marketing, and reducing regulatory barriers and obstacles to starting and operating a business.

*David Weems is an international trade specialist in the Market Access and Compliance unit of the International Trade Administration.*

## Featured Trade Show: Rebuilding Iraq

May 7-10, 2007 in Amman, Jordan

The fourth annual Rebuild Iraq trade exhibition and conference will be held May 7-

traced more than 1,000 exhibitors from 48 countries and more than 13,000 trade

be building and construction, electricity, water resources, oil and gas, healthcare, and information and communications technology. For exhibiting opportunities through the Commerce Department's U.S. pavilion, U.S. companies and their agents or distributors should review the exhibitor package that is available on the Web.



The U.S. Pavilion at Rebuilding Iraq 2006. (U.S. Department of Commerce Photo)

10, 2007, in Amman, Jordan. This event is a certified Commerce Department trade fair and will feature a U.S. pavilion. Last year's event at-

tractors, including 4,000 Iraqis. About 71 percent of the exhibitors in 2006 made sales during the show. The leading industry sectors will

**For more information:**  
Contact William Corfitzen  
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Or contact Giles Hazel of  
Kallman International  
tel.: (201) 251-2600, ext. 119  
e-mail: [gilesh@kallman.com](mailto:gilesh@kallman.com).

# Mexico: Newest Market of the Month

Trade Expos in Monterrey, Mexico 2007

Last November, Governor Schwarzenegger led a California trade delegation to participate in the first ever "California Environmental & Energy Trade Expo" in Monterrey, Mexico. During this trade show, the California delegation promoted a better understanding of environmental responsibilities at all levels of production and manufacturing. The event featured nearly 30 California companies and other employers. It follows a similar successful trade expo that the California Jobs Commission produced in China last year.

Over the past two decades, Mexico has focused increasingly on reducing the adverse environmental effects of economic and population growth. Its participation in

NAFTA has provided further impetus for implementing tougher environmental regulations.

Inland Empire USEAC supported the event by recruiting International Environmental Solutions (IES), a company specializing in pollution control equipment, to participate in the trade mission. Carlos J. Valderrama, California Inland Empire District Export Council (CIEDEC) Member, traveled to Mexico with Governor Schwarzenegger for the trade expo and served as event moderator.



Governor Arnold Schwarzenegger

Another trade expo will be held in Monterrey, Mexico from March 13-15.

The Expo Manufactura show is Mexico's largest metalworking and manufacturing exhibition. It will feature a U.S. pavilion for 60 U.S.

exhibitors. The organizer will also provide a fully furnished booth for the U.S. embassy's Business Information Office. Two hundred exhibitors from more than 12 countries are expected, with 7,500 trade-only visitors.

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For more information on the Asia Partnership for Clean Development and Climate

Visit  
<http://www.asiapacificpartnership.org>

# Clean-Energy Technologies in Asia

Department of Commerce to Lead Trade Mission to India and China, April 2007

**Washington** – The U.S. Department of Commerce's International Trade Administration will lead a Clean-Energy Technologies Trade Mission to India and China in April of 2007. This mission aims to match participating U.S. companies



Targeted products for the trade mission are renewable energy, energy efficiency, clean coal and distributed generation.

with opportunities in these fast-growing markets, where American clean technology goods and services can help improve the environment.

In his State of the Union Address, President Bush empha-

sized the critical role American technology and innovation must play to reduce greenhouse gas emissions. Commerce Assistant Secretary David Bohigian, who will lead the Clean-Energy Technologies Trade Mission, said both the environment and U.S. industry will benefit from this commercial exchange.

"We have seen amazing growth in the economies of both India and China

*Continued on page 19*



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International  
visitation to the  
U.S. increases for  
the eighth straight  
month

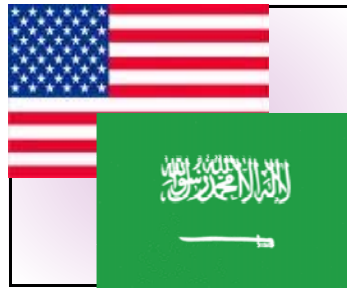
## Visit Saudi Arabia: March 2007

Come Join Us on a Trade Mission

Saudi Arabia is the top trading and investment partner for U.S. companies doing business in the Middle East. The U.S. is the Kingdom's largest trading partner, and Saudi Arabia is one of America's largest trading partners. The U.S. is the number one investor in Saudi Arabia. Total bilateral trade with the U.S. in 2006 is estimated at almost \$40 billion. As America's 17<sup>th</sup> largest export market, Saudi Arabia provides excellent growth opportunities for U.S. companies in a number of diverse industries. With a burgeoning economy, low inflation, WTO membership, an expanding domestic market, and large cash reserves, Saudi Arabia plans to invest heavily in its future as it further privatizes its economy.

Over the next few years, Saudi Arabia will invest \$69 billion in oil and gas

and over \$40 billion in defense and security, petrochemicals, and infrastructure. Other top industry sectors include: real estate, mining and minerals, electricity and water, health and education, transportation, and housing. Additionally, because Saudi Arabia generates most of its energy from burning oil, demand for clean technologies is high.



Saudi Arabia remains the U.S. largest trading partner in the ANESA and the 16th largest worldwide. Total bilateral trade between the United States and Saudi Arabia in 2006 was estimated at \$38.4 billion.

Saudi Arabia accounts for one-fourth of total Arab GDP and has no restrictions on foreign exchange or repatriation of capital and profits. It occupies a strategic location politically as well as economically. Entry into the Saudi Arabian market will poise companies to export throughout the Middle East and the U.S. Department of Commerce stands ready to help facilitate that market entry.

U.S. companies have the opportunity to make or increase sales and generate new revenues in this booming market by joining the U.S.–Saudi Arabian Business Council (USSABC) and the U.S. Department of Commerce Assistant Secretary and USFCS Director General Israel Hernandez as we lead a delegation of U.S. businesses on the Business Development Mission to Saudi Arabia.

**Date:** March 16-21, 2007

**Cities to be Visited:** Riyadh, Jeddah and Dammam

**Targeted Sectors:** Multi-sector mission

**Participation Fee:** \$1,000

**Visit** <http://www.us-saudi-business.org/Files/2007DOCMissionApplication.doc> **to sign up now!**

## Travel and Tourism

International Visitation to U.S. is Up

The U.S. Department of Commerce announced that 3.3 million international visitors traveled to the United States in November 2006, an increase of 11 percent over November 2005. International visitors also spent \$9.3 billion (receipts and passenger fares), up 11 percent. Visitation for the first eleven months of 2006 was up 6 per-

cent compared to 2005 with spending up 4 percent year-to-date.

“It is encouraging to see a continued increase in visitation to the United States from emerging countries and travelers from countries requiring



Ana M. Guevara

US visas,” said Deputy Assistant Secretary for Services Ana Guevara. “The United States remains an attractive destination for foreign visitors, which is good news for the U.S. economy.”



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San Manuel, continued from page 4

made a \$3 million gift to California State University, San Bernardino, providing for physical expansion of the student union and an endowment for scholarship and internship programs. This was followed by a \$4 million gift to UCLA to support their educational efforts with the Native Studies Program.

In June of 1999, San Manuel signed a Memorandum of Understanding (MOU) with the U.S. Department of Commerce (USDOC), a truly history agreement. The agreement was the first of its kind be-

tween a tribal government and the Commerce Department's International Trade Administration, and made San Manuel the first tribe in the country to form a partner-

**In their native language, they call themselves "Yuhaviatam," or "People of the Pines".**

ship, providing office space and support to open an Export Assistance Center on tribal property.

Under the MOU, San Manuel and Director Fred Latuperissa of the Inland Empire USEAC agree to work together to promote

international trade for businesses in the Inland Empire. As former California Congressman George Brown expressed, "this joint venture is representative of the emerg-

ing international economic force that will make San Bernardino an international trade leader in California." Since signing the agreement, San Manuel have remained a business and community leader and continues to recognize the importance of encouraging further international activities and desires to develop an aggressive export assistance function.

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**For more information on the San Manuel Band of Serrano Mission Indians, Visit**  
[www.sanmanuel-snsn.gov/](http://www.sanmanuel-snsn.gov/)

Clean-Energy Technologies in Asia, continued from page 17

that has led to a great need for additional energy in these countries, and we expect this trend to continue," said Bohigian. "At the same time, U.S. companies have developed innovative clean-energy products, and their deployment in India and China will have dramatic effects on the environment not only in these countries, but around the world. It is important to reduce air pollution without hindering world economic growth, and the United States is poised to be a leader in this effort."

The mission will target a broad range of clean energy technologies such as renewable energy, energy efficiency, clean coal and distributed generation. All are industries related to the Asia Pacific Partnership on Clean

Development and Climate (APP). The APP is a Presidential initiative to achieve a reduction in the intensity of carbon dioxide and other greenhouse gas emissions and enhance energy security, in

hance energy security. India plans 100 gigawatts (GW) of new power over the next ten years, including 10 GW from renewable sources. This includes the electrification of 18,000 remote villages.



Asia Partnership on Clean Development and Climate

the context of sustained economic growth.

The APP is a public-private partnership including six partner countries, representing half of the world's economy, population and energy consumption: Australia, China, India, Japan, South Korea and the United States. Member countries work together to break down policy barriers and facilitate commercial deployment of technologies that reduce greenhouse gas emissions and en-

By 2020, China plans to spend nearly \$200 billion to increase renewable energy use to 15 percent of total supply as well as reduce the energy that its buildings consume by 65 percent. China also plans to provide electricity for its remaining 25-30 million people without power.

For additional information regarding the Clean-Energy Technologies Trade Mission, visit [www.export.gov/cleanenergymission](http://www.export.gov/cleanenergymission).



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The Invest in  
America Initiative  
will focus on:

- Outreach to Foreign Governments and Investor
- Outreach to State and Local Governments
- Addressing Business Climate Concerns



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## Economics and Politics, Inc., continued from page 8

tance was the fact that the Inland Empire's manufacturing sector added 3,000 positions in 2006, a 3.0% increase. This was done in a state that, on a net basis, lost 9,900 manufacturing jobs during the year.

Surprisingly, the sector that added the second largest number of jobs during 2006 was the Inland Empire's construction group, up 5.0% from 2005. The sector accounted for 12.9% of the area's new positions. There were two reasons for this. Early in the year, the home construction sector continued growing. When it began to slow by mid-year, a good deal of the slack was taken up by the addition of workers constructing office buildings, industrial facilities, shopping centers and infrastructure

projects. In 2007, the sector will likely slow due to the housing slump, but the reduction will be less than anticipated due to the continued strength of these non-residential activities.

Tied with high-end job growth was a 5,800 job increase in retailing during 2006. This also represented 12.1% of the new jobs created. The growth of the sector was 3.5%. This expansion is consistent with the continued growth of the Inland Empire's population and the fact that its median income has risen. According to HUD, the area's \$57,500 median household income in 2006 is now higher than Los Angeles County's \$56,200. Retail malls are thus being added in high growth areas like the Victor Valley, the

Pass Area, the Perris-Hemet area and the eastern portion of the Coachella Valley. In addition, upscale shopping is being added to existing and new facilities in the more developed portion of the region.

While the 48,200 jobs added in 2006 were less than the 59,300 added in 2004 or the 61,500 in 2005, in many respects the 2006 increase revealed a stronger economy because of the surge in growth in the Inland Empire's higher paying sectors. Now that this has started, it is not likely to stop simply because high-end service companies are starting to figure out that they have to be inside the huge inland economy if they are to compete to serve its firms and households.

## The Invest in America Initiative

U.S. Commerce Under Secretary for International Trade Frank Lavin announced the creation of a new U.S. Government Invest in America initiative, housed in the International Trade Administration (ITA), which will promote the United States as a destination for foreign investment. This initiative will be the primary U.S. Government mechanism to manage inward investment promotion.

"The United States welcomes foreign investment and the jobs and prosperity it creates here," said Lavin. "We are seeing increasing global competition for investment flows and we need to make sure that international investors understand the unique advantages of the United

States, including the best workforce in the world."

Inward investment into the United States is a driving force in the U.S. economy. Foreign investors employ 5.1 million Americans, pay on average 32% higher wages than the national average, support 19% of U.S. exports, and in 2005 reinvested \$59 billion in profits back into the U.S. economy. The Cumulative value of inward direct investment at the end of 2005 was \$1.874 trillion. Although the U.S. has historically been the world's largest recipient of inward investment with 17 percent of the global share, in recent years competition for inward investment has intensified. Inward investment is

too important to the U.S. economy for us not to act.

The United States has always provided foreign investors a stable and welcoming market. The American workforce is the best educated, most productive, and most innovative in the world. As a place to do business, the U.S. offers a predictable and transparent legal system, low taxes, outstanding infrastructure, and access to the world's most lucrative consumer market.

Historically, the U.S. has been the most attractive destination in the world for foreign direct investment (FDI), but that leadership position can no longer be taken for granted. China and the U.K. each attracted more FDI in

2003 and 2005, respectively, although the U.S. regained its lead position in 2006. Overall, the U.S. share of FDI has declined from 22% of global FDI in 1980, to 16% in 2005.

In an increasingly competitive global economy, ITA can help ensure that the U.S. remains the primary world market for inward investment. Both here in the United States and around the globe, ITA is well suited to educate business, policy, and government leaders on the importance of inward investment to the U.S. economy, and to promote the United States to responsible investors globally. This initiative will in no way affect the CFIUS process, which is an important safeguard of U.S.

national security. The Invest in America initiative will have three key responsibilities: (1) international outreach to investors, (2) policy enhancement for investment, and support of state and (3) local government agencies engaged in foreign investment promotion.

The initiative will also include the creation of a task force within the International Trade Administration charged with the responsibility of educating and coordinating the efforts of the 2,300 ITA employees in offices around the world on inward foreign investment.

Cross unit ITA collaboration will be critical to the success of this new, proactive inward investment ini-

tiative. This effort will be led from my office in close cooperation with all ITA units. Over the coming weeks, your office may be engaged in support of this important initiative.


The Commerce Department's International Trade Administration is responsible for developing U.S. trade policy, identifying and resolving market access issues, administering U.S. trade laws, enhancing the global competitiveness of the U.S. manufacturing and services sectors, and coordinating U.S. trade advocacy efforts on behalf of U.S. business.

For additional information regarding the Invest in America initiative, please visit [www.investamerica.gov](http://www.investamerica.gov).

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[www.ciedec.org](http://www.ciedec.org)

**For additional information regarding the Invest in America initiative, please visit [www.investamerica.gov](http://www.investamerica.gov).**

**Combustion Associates Inc., continued from page 1**

of Labor Secretary Elaine L. Choa. The couple was also one of the two finalists for the 2006 Spirit of the Entrepreneur. In the past, CAI has been awarded the Export Achievement Certificate.



CAI manufactures Combustion Associates specializes in manufacturing power generators.

electrical power generation systems ranging from one to 25 megawatts as well as general industrial and pollution control equipment. Initially employing just two employees, the company has grown

to employ 20 full-time employees and 40 specialty consultants while increasing their sales nearly 100 fold. Based in Corona, California CAI has been a long-time client of Director Latuperissa at the Inland Empire Export Assistance Center of the U.S. Commercial Service.

For more information on Combustion Associates, Inc., visit [www.cai3.com](http://www.cai3.com).

**K&N Engineering, continued from page 5**

the AAIW 2006 show in Las Vegas, where the company was introduced to over 25 foreign buyers delegations.

To date, the Inland Empire USEAC has helped K&N export its products to nine different countries, thus

contributing to the company's international success as well as the local economy.

To learn more about K&N Engineering, visit



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K&N specializes in manufacturing high performance air filters and air intakes.



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**"This mission was a success on every level, and I believe its dividends will be paid with an expanded economic relationship long into the future."**

## India Trade Mission

A "Success on Every Level"

More than 250 executives from 200 U.S. companies joined Franklin L. Lavin, Under Secretary of Commerce for international trade, this past December on a business development mission to India. The mission began with a two-day business summit in Mumbai on November 29 and 30. On December 4 and 5, 2006, the summit continued with spin-off missions in Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, and New Delhi. The mission gave participating companies the chance to fully explore business opportunities in India.

India has the 10th-largest economy in the world and has been enjoying high rates of economic growth during the past several years—about eight percent per year from 2002 to 2005. Two-way trade between the United States and India has also been growing. In 2005, total bilateral trade was \$26.77 billion. That same year, U.S. exports to India were \$7.96 billion, a 30.3 percent increase over 2004. Also in 2005, imports from India were \$18.81 billion, a 20.8 percent increase over the previous year. India now ranks as the 22nd-largest ex-

port market for the United States.

Among the highlights of the five-day mission were the 600 matchmaker events organized by U.S. and



Under Secretary for International Trade Franklin L. Lavin

Foreign Commercial Service staff members in the spin-off cities. Those events were nearly identical to the Commercial Service's Gold Key Service, which arranges one-to-one meetings with pre-screened distributors, professional associations, government contacts, and licensing or joint venture partners.

According to participants, the matchmaker events were especially fruitful in establishing business contacts in India. Malcolm Butters of

Butters Construction and Development (an industrial developer in Coconut Creek, Florida) participated in one such event held in Hyderabad on December 4. He noted, "[I] couldn't have gotten a better meeting schedule if I had been here for 30 years."

Although there are many trade opportunities in India, U.S. companies can face several challenges. Limitations on foreign ownership and investment, high tariffs, and lack of adequate intellectual property rights protection all present trade hurdles that are being addressed in negotiations held under the auspices of the U.S.-India Commercial Dialogue, the main mechanism for negotiating trade policy matters.

Participants agreed that many good business contacts were made during the mission. The Department of Commerce will be tracking the results and following up with the participating companies. According to Lavin, "This mission was a success on every level, and I believe its dividends will be paid with an expanded economic relationship long into the future."

### Record Year for Exporting, continued from page 10

U.S. exports and support the President's trade agenda.

"The President's trade agenda, including successful conclusion of the Doha Round and passage of Free Trade Agreements with Peru, Colombia and Panama, will open markets for Ameri-

can products and enhance our nation's prosperity. This makes extension of the President's Trade Promotion Authority all the more essential as we move forward."

Secretary Gutierrez is in India for discussions with government officials to

explore opportunities to further invigorate commercial relations between the U.S. and India through the mechanisms provided by the U.S.-India Commercial Dialogue, the High Technology Cooperation Group, and the CEO Forum.



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# Approaching U.S. Export Controls

## The Four Questions that Need Answers

by Robert Bowen

For U.S. exporters of nearly any stage of experience, complying with U.S. export controls for commercial products or technology has never been easy. Better, however, to undergo the legally required due diligence beforehand rather than discover that a past shipment was (or, worse still, multiple past shipments were) impermissibly exported from the United States. What follows below is a brief primer on reviewing potential exports to determine whether those exports meet U.S. legal requirements.

A helpful starting point for approaching U.S. export controls for commercial items is to break up the potential export transaction into segments for consideration. The following four inquiries (What, Where, Who, and Why) capture this approach.

**WHAT:** Some U.S. export controls apply to specific

types of products and technologies.

It is very important that a commercial product or technology be correctly classified and assigned the proper Export Control Classification Number (ECCN) prior to export.

**WHERE:** Some U.S. export controls apply to transactions involving persons in specific countries. These controls may impose an export license requirement or may prohibit the transaction altogether. The U.S. maintains complete or nearly complete embargoes on trade with Cuba, Syria, Sudan, Iran, and North Korea.

**WHO:** U.S. persons are prohibited from doing business with persons who have been placed on denied or prohibited party lists maintained by the U.S. Government. Parties to an export transaction must be screened against these lists prior to the transaction.

**WHY:** Certain U.S. export controls apply to particular end uses to which the product or technology will be applied overseas. It must be determined why the product or technology is being sought, e.g., what is the end usage of the product or technology. Certain end usages, such as those related to weapons of mass destruction, either require U.S. export licenses or are outright prohibited.

Asking these questions is only the beginning but, nevertheless, it is a good beginning. A helpful resource is the website for the Bureau of Industry and Security in the U.S. Department of Commerce ([www.bis.doc.gov](http://www.bis.doc.gov)).

*Robert Bowen is a member of the California Inland Empire District Export Council. The opinions expressed are solely his own.*

## Inside the International Trade Admin.

### Meeting Ms. Colleen Litkenhaus

Colleen Litkenhaus was appointed by President Bush to serve as the Deputy Assistant Secretary for Domestic Operations of the United States and Foreign Commercial Service, International Trade Administration at the United States Department of Commerce. The U.S. and Foreign Commercial Service is the key export promotion agency of the federal govern-

ment.

In this capacity, Ms. Litkenhaus is responsible for managing a number of mission-critical initiatives, including overseeing the domestic operations of 109 U.S. Export Assistance Centers operating in 47 different states.



Colleen Litkenhaus

In addition, Ms. Litkenhaus is responsible for a number of trade promotion programs, the Trade Information Center, and the development and execution of marketing and communications strategies.

## VISIT



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For additional  
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Cynthia Torres



## TOP 10: U.S. Commercial Service's Exporting Tips

- Dedicate top-level management and develop a clear export strategy;
- Identify potential market(s) and conduct research and a risk/reward assessment;
- Be patient and realistic when going international (Take a long-term approach and allow sufficient time for due diligence.);
- Seek professional help from the U.S. Commercial Service, District Export Council, bankers, international legal firms, or freight forwarders;
- Make sure the product is export ready (standards compliance, regulations, labeling, licensing, etc.);
- Understand and select the best distribution channel for each country (research all potential distribution partners);
- Identify sources of finance before beginning negotiations to ensure you are not caught flat-footed in business meetings (Trade financing is crucial to success overseas.);

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Enter new export  
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- Create payment terms and conditions that meet the market's needs standards (You can offer terms to foreign buyers. Meet competitors head-on by using the Export-Import Bank and the Small Business Administration's export programs.);
- Design your company's Web site to be attractive and responsive to foreign buyers; and
- Take advantage of U.S. government export promotion services—everything from export counseling, financing and market research to advocating for your products in overseas markets. (They are affordable and effective, regardless of the size of the company.)

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