



Professional Association of Exporters and Importers

“Leaders and Partners in Worldwide Regulatory Compliance”

March 2007

Volume 21, Number 1

PAEI Nineteenth Annual Membership Meeting

On Wednesday, December 13, 2006, PAEI held its **19th Annual Membership Meeting** at the Biltmore Hotel and Suites. Around 50 members attended.

Everyone had the holiday spirit, and a good time was had by all! Raffle tickets were given to each attendee, and door prizes were given out. The food was great, the door prizes were fabulous, and of course the company was wonderful!

PAEI would like to thank the following companies who donated prizes that were raffled off:

N.F. Stroth and Associates, LLC; FedEx Services; Trade Resources & Associates; and The Biltmore Hotel and Suites.

The Biltmore Hotel and Suites was very generous in donating the grand prize of the evening, which was a weekend get-away at the Biltmore Hotel and Suites for two people. A special **“Thank you”** to **Lydia Bostillo** for once again coordinating the Annual Membership Meeting. Lydia gathered all the great prizes that were raffled off during the evening and arranged the meeting at The Biltmore Hotel and Suites.

Thanks to all who attended, and we hope to see all the PAEI members at the annual meeting in December 2007!

February 7, 2007 VAT Event Recap

By Anne Van de Heetkamp, PAEI VP of Administration

Nothing like a misty rainy Valley morning to get the Value Added Tax juices flowing! Speakers from KPMG, Ernst & Young, PricewaterhouseCoopers, and Sabrix were able to introduce newcomers to the various intricacies of Value Added Taxes, and inform

(Continued on page 3)

Inside this issue:

PAEI Nineteenth Annual Membership Meeting	Cover
February 7, 2007 VAT Event Recap By Anne van de Heetkamp	Cover 3
PAEI Board of Directors and Officers Contact Information	2
PAEI Has A New President By Dan Kromat	3
Presidents Message By Jo-Anne Daniels	3
Upcoming Events	4 - 7
Auditing Your Automated Export System Reports By Gieselle Perez and Tansie Iwafuchi	8
Auditing Your 5 Steps to Trade Compliance By Misty Rutter	9 - 11
Watch Us Grow!	12 - 13
P.A.E.I. Membership Application	14

ZERO IN ON THE RIGHT EMPLOYEE!

We'll advertise them free of charge!

Advertise your job openings with P.A.E.I.!

Detailed instructions on how to post jobs are
available at <http://www.paei.org/>

Visit our web site for meeting
details, membership information, and
valuable trade resources.

<http://www.paei.org/>

P.A.E.I. NEWSLETTER

*Published bimonthly by the Professional Association of
Exporters and Importers, P.O. Box 612743, San Jose,
CA 95161-2743; Message Center (408) 532- PAEI, or
(800) 930-PAEI.*

Board of Directors; Jo-Anne Daniels, Tansie Iwafuchi,
Dan Kromat, Gieselle Perez, Dixon Reilley

Officers; President - Jo-Anne Daniels; VP of Admini-
stration - Anne van de Heetkamp; Chairman of the Board
- Dan Kromat; VP of Development - Cindy Shull Lakey;
Secretary - Laura Putnam; Treasurer - J. Dixon Reilley

Committee Chairs; Education, Dennis Krier; Marketing,
Tansie Iwafuchi; Membership, Open; Programs, Open;
Publications, Peter Miller

Editor; Gieselle Perez

Publisher; Karen Hebert, Direct Mail Services

*Articles for publication, letters to the editor, and requests for cop-
ies should be submitted to dan.kromat@ksicorp.com, or on disk-
ette to the P.A.E.I. PO Box in San Jose. Articles must be submitted
to the Editor NLT the 3rd of each odd month, Newsletters will be
emailed the 1st of each even month. P.A.E.I. does not guarantee
the accuracy of the contents of this publication. For further infor-
mation concerning the topics in the newsletter consult the applica-
ble regulations or your local Department of Commerce or Cus-
toms representative. 2006 P.A.E.I., Inc. All rights reserved.*

2007 P.A.E.I. Board of Directors/Officers

President & Director

Jo-Anne Daniels
Trade Resources & Associates
tra3332003@yahoo.com

Vice President of Administration

Anne van de Heetkamp
TradeBeam
annevandeheetkamp@tradebeam.com

Director & Treasurer

J. Dixon Reilley
Reilley and Associates
dreilley@quixnet.net

Director

Gieselle Perez
NVIDIA Corporation
gperez@nvidia.com

Director

Tansie Iwafuchi
National Semiconductor Corp.
Tansie.iwafuchi@nsc.com

Chairman of the Board & Director

Dan Kromat
KSI Corp.
dan.kromat@ksicorp.com

Vice President for Development, Past Director & PAEI Co-Founder

Cindy Shull Lakey
MK Data Services
cindy@mkdenial.com

Secretary

Laura Putnam
LSI Corporation
Laura.Putnam@lsi.com

**P.O. Box 612743
San Jose, CA 95161-2743
Tel: (408) 532-PAEI
Fax: (408) 274-7611
<http://www.paei.org/>**

(Continued from page 1)

VAT-veterans on developments in various countries.

With VAT rates (or Consumption Tax, Goods and Services Tax, etc.) varying between 3 and 25%, the recoverability of VAT depending, and the liabilities related to registering for VAT purposes being different on a country-by-country basis, it is vital to get acquainted with local VAT rules and regulations prior to taking any action that may result in a non-US VAT liability or requirement (such as registering for VAT purposes). Since VAT, like US Sales Tax, should in the end not be a net cost to business, all speakers emphasized the need for planning and the capability to recover or charge VAT where appropriate.

PAEI HAS A NEW PRESIDENT

By Dan Kromat, PAEI Director

The PAEI Board of Directors has appointed a new President, Ms. Jo-Anne Daniels. All of the Directors and Officers have appreciated Jo-Anne's many years with us as a director and now appreciate her additional efforts as President.

Jo-Anne has created and worked on many of our PAEI events over the last several years and continues to do so as President, along with her new duties.

Jo-Anne has a tremendous background making her uniquely qualified to help lead PAEI into an exciting educational and networking future. After all, PAEI is about education and she has an English and teaching degree from State University of New York at Stony Brook, New York. In addition, she has been a Licensed Broker for over 24 years with a management background in brokerage, as well as international trade with Silicon Valley companies.

Several years ago, she took on one of toughest jobs

out there, in starting her own International Trade Consulting Business, Trade Resources and Associates. Services to Silicon Valley companies have included: Customs and Export assessments, audits, classification and valuation review, training, development of Compliance Policy and Procedure manuals, preparing Commodity Jurisdictions, ITAR, and Drawback programs.

In addition, this lady has some history beyond international trade. Jo-Anne once had a childbirth assistant and pregnancy fitness business, and owned the Half Moon Bay version of Mail Boxes Etc. In her spare time, she enjoys walking on the beaches, kayaking, coastal living in general, and doing some freelance writing.

During one of our next events please feel free to meet Jo-Anne and find out where she gets her energy. Let me know – I sure could use some!

Presidents Message

By Jo-Anne Daniels, PAEI President

I am very honored to be the new President of PAEI. For years I have been a PAEI member and have also served on the board for multiple terms. I am very excited to learn about our members' interest in trade seminars that will help them in career development and in their jobs. We have received many recommendations from members which has helped in developing successful programs.

It is a delight for me to work with board members and officers who are very experienced and knowledge in their specific field and can offer their talents to create wonderful seminars, Brown Bags and Quarterly Luncheon. This year we have some very ambitious programs starting with our VAT seminar, following with Category 3 and Import and Export Audit, Encryption and ITAR programs.

Upcoming P.A.E.I./BIS

Events Mark Your Calendars!

- **May 23 - 24, 2007**
“Complying with U.S. Export Controls”
- **May 25, 2007**
“Technology Controls”
- **September 26 - 27, 2007**
“Complying with U.S. Export Controls”

PAEI Events Coming Soon!

- **April 25, 2007**
[“Quick Response Audits and Focused Assessments”](#)
- **Export Control Classification Number (ECCN) Focus on Categories 3 Seminar**

Tentative date will be:

- Category 3 (April 19, 2007)

PAEI is always interested in offering the education that our members need. If you want to suggest a topic for a future course, please contact one of the PAEI Board Members.

Watch the PAEI Web site for these and other events, <http://www.paei.org>

Category 3 Seminar

By Tansie Iwafuchi, PAEI Director

It's coming! **The Category Three Classification** seminar will be coming to Santa Clara on Thursday, April 19, 2007. The event will be held at National Semiconductor.

This **full day** seminar will tentatively be \$100 for members, and \$150 for non-members. The airport nearest Santa Clara is San Jose International (SJC) and hotels near National Semiconductor include the Residence Inn-Silicon Valley 408-720-8893, the Ramada Inn 408-245-5530, and the Embassy Suites Hotel 408-496-6400.

The *tentative* agenda for the event includes speakers such as Dan Fisher-Owens and Ray Gold of Berliner, Corcoran & Rowe L.L.P., Roszel Thomsen of Thomsen and Burke, Tansie Iwafuchi and Julie LaCross of National Semiconductor, and other speakers to be determined.

Electronic components, general purpose electronic components, equipment for semiconductor devices and materials, test equipment for semiconductors, equipment for testing and inspecting electronic components, and software for category three will definitely be covered in the seminar.

We are in the process of confirming either speakers or gathering materials for 3A003-3A981, and have contacted a potential speaker for 3C001-3C992. The US government has been asked to assist us with 3E003, 3E101, 3E102, 3E201, 3E292, and 3E991, either with a speaker name, or with materials. A more established agenda will be sent with the final flier, so you will know exactly which sections will be covered in person and in depth, and which sections may be covered by a handout or 'virtual' speaker.

Please email Tansie, tansie.iwafuchi@nsc.com if you have questions, or wish to make a speaker recommendation for any of the sections.

QUICK RESPONSE AUDITS AND FOCUSED ASSESSMENTS

Presenters:

Ms. Betty Williams, Field Director, Regulatory Audit Division
U.S. Customs and Border Protection

Mr. George R. Tuttle III, The Law Offices of George R. Tuttle



Date and time: April 25, 2007 9:00am -12pm

Registration and continental breakfast will begin at 8:30am

Who should attend: Logistics, Customs or Traffic, Corporate Finance and Tax, Internal Audit, and others responsible for corporate Trade and Customs compliance.

Location: The Corporate Training Room at Atmel Corporation, 2325 Orchard Parkway, San Jose, Ca., 95131

Why attend: Quick Response Audits (QRA) are single or limited scope issue audits that focus on a narrow objective within a short period of time. QRAs can encompass diverse issues, such as valuation, preference claims, or unlawful transshipments. Even companies who are ISA qualified are not exempt from QRAs.

The Focused Assessment program evaluates a company's level of compliance and the adequacy of internal control systems. Using risk management concepts, Customs conducts a pre-assessment survey of the company's internal control over Customs transactions to determine whether additional testing is necessary. Companies are expected to create compliance improvement plans where deficiencies are identified, tender duties and/or fees as appropriate, and are subject to re-audit.

Many importing companies are unprepared for the type of in-depth review conducted by Customs in a QRA or FA, and as a result, receive negative audit findings, are required to implement Compliance Improvement Plans (CIPs), and pay additional duties and fees. This program is intended to educate you about Customs' Audit programs, what you can expect, and how to prepare for it.

Additional course information is available <http://www.paei.org/April25Seminar.pdf>. To understand the scope of a Focused Assessment or QRA, go to the Customs' web site (www.customs.gov), click on Importing and Exporting, and then select Regulatory Audit Programs Information.

Cost: \$50.00 for PAEI members, or members of approved supporting trade organizations
 \$70.00 for non-members. (Price includes continental breakfast)

Registration: You may register for this course and pay by credit card in a secure environment on our Web site at <http://www.acteva.com/booking.cfm?bevaaid=130363> (We accept VISA, AMX, or MasterCard)

-or- Print the registration form, <http://www.paei.org/April25Seminar.pdf> and send your check postmarked no later than April 15, 2007 – made payable to: PAEI, P.O. Box 612743
 San Jose, CA. 95161-2743. PAEI Tax ID#680117035 (send a copy of the registration form with your check)

Seating is limited. Please register early!

Any course questions can be addressed to Dan Kromat, Director/PAEI (650) 228-7155, dan.kromat@ksicorp.com or

Jo-Anne Daniels, Director/PAEI (650) 726-6764, tra3332003@yahoo.com



On May 23 -24, 2007 PAEI will be co-hosting "Complying with US Export Controls" with The Bureau of Industry and Security at the San Jose Holiday Inn. This two-day Export Regulations Course is led by BIS's professional counseling staff and covers information you need to know to comply with U.S. Export Regulations on commercial exports. All reservations for this event must be processed using a credit card online, at <http://www.acteva.com/booking.cfm?bevaaid=129496>

Location/time: San Jose Holiday Inn, 1740 North First Street, San Jose, California 95112. Registration will begin at 7:30 am on May 23, 2007. The program will begin at 8:30 am on May 23, 2007, and end on May 24, 2007 at 4:30 pm.

Accommodations: Please make your reservations directly with the San Jose Holiday Inn by calling (408) 793-3300, or (800) 315-2621. Please mention "PAEI" to obtain a discounted rate of \$139. You may visit the hotel by viewing their facilities on line, <http://www.ichotelsgroup.com/h/d/hi/1/en/hotel/sjcsf?requestid=231862>.

Registration: The cost of this two-day seminar is \$325. Breakfast, lunch, breaks and training materials will be provided both days.

Please no telephone, fax, or checks will be accepted for registration for this event. All registrations must be paid in advance by credit card. No registrations will be accepted after May 18, 2007. REGISTER NOW! This program will sell out! NO REFUND FOR CANCELLATIONS MADE AFTER Wednesday May 16, 2007.

All reservations for this event must be processed using a credit card online, at <http://www.acteva.com/booking.cfm?bevaaid=129496>. You may also visit the PAEI Website at www.paei.org (We accept VISA, AMX, or MasterCard) PAEI Tax ID# is 680117035. For registration questions, please contact Cindy Shull Lakey, (360) 422-7078 cindy@mkdenial.com

For more information or questions on the topics to be covered, please call BIS's Western Regional Office at (949) 660-0144 or (408) 291-4212.



On May 25, 2007 PAEI will be co-hosting "Technology Controls" with The Bureau of Industry and Security at the San Jose Holiday Inn. This full day program will offer a comprehensive look at how to comply with the U.S. export and reexport controls relating to technology, software and encryption. The program is led by export compliance specialists from BIS's Washington, D.C. Headquarters. All reservations for this event must be processed using a credit card online, at <http://www.acteva.com/booking.cfm?bevoid=129574>.

Location/time: San Jose Holiday Inn, 1740 North First Street, San Jose, California 95112. Registration and a continental breakfast will begin at 7:30. The program will begin at 8:30 and end at 4:30 pm.

Accommodations: Please make your reservations directly with the San Jose Holiday Inn by calling (408) 793-3300, or (800) 315-2621. Please mention "PAEI" to obtain a discounted rate of \$139. You may visit the hotel by viewing their facilities on line, <http://www.ichotelsgroup.com/h/d/hi/1/en/hotel/sjcfs?requestid=231862>.

Registration: The cost of this full day seminar is \$225. Breakfast, lunch, breaks and training materials will be provided.

Please no telephone, fax, or checks will be accepted for registration for this event. All registrations must be paid in advance by credit card. No registrations will be accepted after May 18, 2007. REGISTER NOW! This program will sell out! NO REFUND FOR CANCELLATIONS MADE AFTER Wednesday May 16, 2007.

All reservations for this event must be processed using a credit card online, at <http://www.acteva.com/booking.cfm?bevoid=129574>. You may also visit the PAEI Website at www.paei.org (We accept VISA, AMX, or MasterCard) PAEI Tax ID# is 680117035. For registration questions, please contact Cindy Shull Lakey: (360) 422-7078, cindy@mkdenial.com

For more information or questions on the topics to be covered, please call BIS's Western Regional Office at (949) 660-0144 or (408) 291-4212.

Auditing Your Automated Export System Reports

By Gieselle Perez and Tansie Iwafuchi,
PAEI Directors

The Automated Export System (AES) is a joint venture between the Customs and Border Protection agency, the Foreign Trade Division of the Bureau of the Census (Commerce), the Bureau of Industry and Security (Commerce), and the Directorate of Defense Trade Controls (State). Because all of these government agencies are involved and have access to your export data, it would be advisable for your company to review the data that has been reported through AES, even if you file the data yourself, or through a service provider.

An exporter is allowed one free report within 365 days. The report can be for any time specified. In order to receive the report a fax must be sent to Census Attn: Mrs. Dale C. Kelly, fax number 301-457-3765. The fax must include the Company Name, EIN #, date from and date to for the report requested. The fax must have company logo or be on company letterhead.

If additional reports are requested within the 365 days then a fee per month of requested data must be paid to: Commerce/Census/FTD. The fee per month of data is \$125. The check must be sent to:

Mrs. Dale C. Kelly
US Census Bureau
4700 Silver Hill Road
Room 3125 FOB#3
Washington DC 20233

Reports are provided in excel format through an FTP site. A member from the Regulations, Outreach, and Education Branch (ROEB) places the report on the FTP site. The file must be saved to your computer. The ROEB member via phone will then provide a pass phrase to extract the report from an executable

file. The extracted file will be in an excel format. You must be able to retrieve an FTP report from your computer system; the Census Bureau is no longer providing the information on CD ROM. Members of the ROEB can be reached at 1-800-549-0595, option 3. Once you receive the information, how do you audit it? What are you looking for?

The fields that are available on the report include **all** of the information filed, so unless you have a very limited number of exports, you may wish to target your audits to sample fields or records.

In example, check to make sure that all of your ITN's (Internal Transaction Number are listed on the report. Make sure your exporter ID is listed correctly on the report. Note: it may be similar to your Exporter Identification Number. If you are an Option 4 filer, be sure to check the "Filer Name" field; you filing your own reports, So if there is another "Filer ID" other than your own, make sure there are not duplicate Reports filed for the same shipment. For Option 2 or Option 4 filers, do you have a Power of Attorney with the party that is listed as the "Filer"? If you do not know the filer, you may wish to contact the forwarder directly, or request filer information from the Census Bureau. The data on the report reflects information filed on your behalf, and you want to ensure that it is accurate. Don't be afraid to contact anyone who is filing information on your behalf, and request that they discontinue the practice if they do not have your permission, especially if the information is inaccurate, or if an item has been filed twice.

Lastly, you will want to be extra vigilant in checking January 2007 and February 2007 reports. There was a major Harmonized Tariff System (HTS) update which caused some AES irregularities, and it will be especially important to make sure the filing records for these months are accurate.

5 Steps to Trade Compliance

U.S. Customs and Border Protection's best-practices guidelines show the way to a successful trade-compliance program. Here's how to apply them in your company.

By Misty Rutter – 11/1/2006

(Originally published by Logistics Management magazine, November 2006. Reprinted with permission)

Operating in the international marketplace has become a risky business. Heightened security measures and stepped-up government enforcement since 9/11 have made compliance with international-trade regulations more challenging. Increased penalties for corporations and individuals, along with management accountability under the [Sarbanes-Oxley](#) rules, are making many corporate executives take notice of trade-compliance issues.

The task of the corporate compliance officer is to navigate this treacherous terrain and build a sound structure within which a company can effectively conduct business. [U.S. Customs and Border Protection \(CBP\)](#) has published "The Five Components of Effective Internal Controls," a set of recommendations that provide the building blocks for this structure. Here's how importers and exporters can use that framework to develop strong compliance programs.

1 Environmental controls

Management commitment is the cornerstone of any compliance program. The tone set by company executives carries throughout the organization. If a corporate culture of compliance exists, then internal controls are less likely to be viewed as a nuisance or something to be circumnavigated. The first step toward creating this environment is to have a corporate policy issued by the chief executive. This policy should communicate management support

for the compliance organization; an insistence on ethical and lawful transaction of business; and intolerance for willful disregard of regulatory requirements.

Part of creating a culture of compliance is the visibility and stature of the company's compliance group. The compliance officer should have access to the executive level; he or she should also be empowered to interact with other departments and to stop a transaction or activity that could lead to a violation. At many of the companies I've worked with, the compliance function reports to the legal organization. This can provide the necessary visibility to the executive level and elevate the stature of the compliance function. The key is to ensure that compliance does not report to an area where there could be a conflict of interest, such as sales or customer service.

2 Risk Assessment

A risk is anything that could hinder a company from achieving success and attaining corporate objectives. The job of a compliance officer is to identify areas where the company could potentially fall afoul of government regulations and to develop methods for managing those risks.

Conducting an internal assessment of your current compliance program is a great way to start. Evaluate each area of compliance to determine if it is effective, documented, consistent, and—perhaps most importantly—current. Many companies I have assisted in conducting assessments had compliance manuals. However, some of those manuals had been created years earlier and had never been updated. That was a mistake: Neither the regulations nor the business environment are static, so a compliance program needs to evolve along with them. To make sure that happens, monitor the *Federal Register* for changes to the regulations. Update your procedures and communicate those changes to affected departments.

You should also be wary of factors that increase the risk of non-compliance. Developments such as staff

turnover (there could be a loss of expertise and familiarity with requirements), rapid growth (mistakes increase when people are busy or overstressed), and major business changes (new product lines, mergers and acquisitions, and new sales areas or supply sources can affect compliance) must be managed.

Successor liability is an area where many companies get into trouble. If you don't have a good due-diligence process for evaluating potential acquisitions *before the deal is done*, you could wind up inheriting a messy enforcement case. The acquisition of even a small business could throw you into a whole new regulatory arena. One of my clients, for example, had a good compliance program in place for its [U.S. Department of Commerce](#) export controls. But when the company acquired a new specialty-materials business, it suddenly found itself under International Traffic in Arms Regulations (ITAR) controls and had to revamp its program to include this new area.

3 Internal Controls

Establishing internal controls is quite simply a matter of creating policies, procedures, and organizational structures that will minimize risk to your company. Procedures should be effective but not overly burdensome. Document what you do, and do what you document—but don't get unnecessarily tangled up in red tape. (ISO 9000 process standards, by the way, lend themselves nicely to documenting trade-compliance programs.)

Compliance procedures can be either preventive (such as requiring supervisory approval for certain activities) or detective (such as periodic reviews of import entries or export declarations). All procedures should be kept up-to-date to reflect any regulatory or business-process changes.

You should also develop control requirements for your suppliers and other supply chain partners. Work with your procurement department to require suppliers to provide information about their products' clas-

sification, country of origin, and eligibility for duty-preference programs. Develop scope-of-work documents for service providers such as freight forwarders and customs brokers. Work with your legal department on terms and conditions for distributor or partner agreements to ensure that trade-compliance requirements are spelled out.

Outsourcing trade compliance to service providers is a growing trend. But it is important to remember that it is ultimately the importer or exporter of record who is liable for any violations.

Likewise, more and more companies are automating their trade-compliance function. I am a big fan of automation: Global traders cannot possibly manage compliance matters successfully with manual processes alone. Yet even the most sophisticated software does not eliminate the need for human intervention. That's because there are many nuances in the regulations that require analysis and interpretation. In other words, an automated solution should not be seen as a *replacement* for a talented and dedicated compliance group; rather, it should be an effective *tool* for that group to use.

A good example is a practice adopted by some of my clients, who have implemented software solutions that block certain types of transactions. A member of the compliance group then evaluates those transactions and match them electronically with the appropriate Department of Commerce or [Department of State](#) export license or license exception (for example, a Low-Value Shipment exception or a CIV Civilian End-Use exception).

Record keeping is a key element of internal controls. Federal regulations require that certain documentation related to imports and exports be maintained *and be accessible* for a minimum period of time, typically five years. Make sure you have a documented record-retention schedule. And remember, too, that these requirements may also apply to records from other departments, such as finance, procurement, or-

der management, and shipping/receiving. Work with affected departments to ensure that they adhere to the same record-retention standards.

4 Information and Communication

In a nutshell: Train, train, and then train some more. The higher the level of awareness within your organization, the more effectively you can maintain a compliant environment. Establish a training program with a recurrent training schedule. Some of my clients provide general awareness training on trade compliance to all new employees globally. This might seem like overkill, but it is important to ensure that all members of functional areas that affect trade compliance understand their responsibilities.

As noted earlier, things change. Test both your systems and your data to ensure accuracy. Bad data can lead to bad decisions or inadvertent violations. Keep training materials updated and inform affected departments when regulations are amended. Sending out a compliance newsletter or creating and maintaining an electronic bulletin board for compliance-related notices has worked well for some of my clients.

I also recommend partnering with government agencies. U.S. Customs and Border Protection programs, such as the Customs-Trade Partnership Against Terrorism (C-TPAT), Importer Self-Assessment (ISA), and the Automated Commercial Environment (ACE), can provide many benefits for participants, including faster transit times and avoidance of compliance audits. Attend government-sponsored sessions to stay current and to develop a dialogue with officials. Don't be afraid of being "on their radar screen"—they really are there to help.

5 Monitoring

An internal audit program is essential to any successful trade-compliance program. Once you've established internal controls, those controls need to be checked for effectiveness. Create an audit template and schedule. Develop a corrective action plan you

can apply when discrepancies are found, and then check that the plan has been put into action. It's also a good idea to set up an anonymous reporting mechanism, such as a hotline, so employees can escalate potential compliance problems.

These five fundamental components provide the basic building materials of a solid, effective trade-compliance program. With this strong foundation, your program will protect you—and your company—from the considerable risks associated with non-compliance.

Misty Rutter is a regulatory-compliance consultant with more than 22 years of experience in international trade.

This article is available online at <http://www.logisticsmgmt.com/article/CA6389620.html?nid=2721&rid=1195700912&&>

Ask the Experts...

Do you have an interesting Customs or Export question that you would like answered?

Please e-mail your questions to Karen Hebert at khebertdms@aol.com and the PAEI Board will try to have all questions answered in the next newsletter.

PAEI Members Share Your Insights!

The P.A.E.I. Newsletter is a publication that is written by its many members. If you have an article you have written, or have any web site that you would like to share with your fellow PAEI members in the next newsletter, please contact:

Dan Kromat at dan.kromat@ksicorp.com



WATCH US GROW!

November 2006

New

Zeina Do	Expeditors Int'l.
Jessica Hill	
Jim Bradley	Affymetrix, Inc
Jim McCracken	Affymetrix, Inc
Gary Bungay	Pericom Semiconductor
Deep SenGupta	FedEx Trade Networks

Renew

Elizabeth K. Lally	Secure Computing Corp.
Mary Budge	Secure Computing Corp.
Kelly Raia	American River Int'l.
Neil Lenok	American River Int'l.
Maxine Curry	Apple Inc.
Gendy Allbrook	Apple, Inc.
Steven Fisher	Kendall-Jackson Wine
Neill F. Stroth	N.F. Stroth & Assoc.
Joseph D. Lawhun	N.F. Stroth & Assoc.
Karen Birtola	Hitachi America, Ltd.
Bill White	White Consulting
Renee Roe	Fortinet Inc.
Joannie Montagne	
Anthony Noguerras	Alliance Int'l. CHB, Inc
Pamela Harbell	Renesas Technology America
Jasbir Banwait	Renesas Technology America
Beverly J. Gonzales	TAK Imaging
Surya Dhamija	Air 7 Seas Transport Logistics

Peter Miller	Portree International
Sharon Ma	LSI Logic Corp.
Pamela Pancoast	LSI Logic Corp.
Linda Mills	Concorde Battery Corp.
Dennis Krier	FedEx Trade Networks

December 2006

New

Luke Alexander	C & K Investments
Jennifer Eldefonso	
Peggy Jean Yap	Applied Material, Inc.
Steven Miley	DoQSource
Jim Stuhlbarg	Synopsys, Inc
Johanne Dictor	Trade Resources & Associates

Renew

Mark Berkvam	Brocade Communications
Myra Ramos	Traffic International Corp.
J. Dixon Reilley	Reilley & Associates
Susan Gleason	Fujitsu America, Inc
Jinny Lo	Fujitsu America, Inc
Joseph T. Chou	Acer America Corp.
Patrick Lee	Acer America Corp.
Marc Torres	Export Procedures Academy
Michelle Scott-Horwitz	Seagate Technology
Mary R. Breede	Seagate Technology
Sharon J. Kolstad	ATMEL Corp.
Carla Ventura	ATMEL Corp.
Jo-Anne Daniels	Trade Resources & Associates
Hal Plimpton	International Support Systems
Gary Sitts	Palo Alto Research Ctr., Inc.
Elsia O. Galawish	



WATCH US GROW!
Continued from page 11

January 2007

New

Ken Santana
 Creighton Chin Communications & Power Industries
 Alex Hurlow EMC
 Teresa Cox LAM Research
 Dan Schultz Hitachi Data Systems
 Jane Solomon Anritsu Company
 Diane Scholtens Anritsu Company
 Mike West Vignette Corporation

Renew

Maria Contrestano Qualcomm, Inc
 Loren R. Sorensen Sorensen Consultants
 Jeff Hopkins Altera Corp.
 Angela Colvin Altera Corp.
 Jennifer Toralba Tology, LLC
 Nicole Halaby Tology, LLC
 Dan Kromat KSI Corp.
 Mike Ford KSi Corp.
 Edward J. Radlo Sonnenschein Nath & Rosenthal LLP
 Bill Volner Allergan, Inc
 Jill Chen
 E. Patricia Barney NVIDIA Corp.
 Henry Pizarro NVIDIA Corp.
 Gieselle Perez NVIDIA Corp.

Martha Gordon EMC
 Robert Kearsley PricewaterhouseCoopers LLP
 David Wallin Aerojet
 Daniel Swinehart Palo Alto Research Center
 Peggy Ann Prince Hitachi Data Systems
 Julie LaCross National Semiconductor
 Tansie Iwafuchi National Semiconductor
 Lillian Lopez Novellus Systems Inc

February 2007

New

Terri Bury McAfee, Inc

Renew

Sergio Virelas California Eastern Labs
 Dora Gleaton California Eastern Labs
 John Morley Intel Corp.
 Jeff Rittener Intel Corp.
 Aaron Hardy Expeditors International
 Ken Hashimoto Expeditors International
 Ruth Baratta Shaklee Corporation
 Jeff Morse Keeco, LLC
 Rocco Gattuso International Trade Solutions
 Deborah Ferry Adaptec, Inc.
 Daryl Becker Adaptec, Inc
 Nancy Heider Rackable Systems, Inc
 John Burgess Omnicell, Inc.
 Anne van de Heetkamp TradeBeam
 Yvette Powell TradeBeam
 John Ramirez CPI



P.A.E.I. Membership Information

The Professional Association of Exporters and Importers is an organization of professionals involved in import/export activities. Objectives of the association include promoting and fostering the role of the import/export professional, providing on-going education relative to regulatory issues, exchanging information and enhancing industry's participation in import/export control issues and policies.

P.A.E. I. sponsors quarterly luncheon meetings with featured guest speakers, a bimonthly newsletter, networking and job placement opportunities.

P.A.E.I. membership represents both large and small companies in the high-technology community. Membership is open to all persons interested in personal and professional growth in the international arena. Two types of memberships are available and are valid for one year from date of payment. For more information call the PAEI Message Center at telephone (800) 930-PAEI.

Complete this application and return it along with your check. Make checks payable to: Professional Association of Exporters & Importers, P.O. Box 612743, San Jose, CA 95161-2743. PAEI's TAX ID NO: 680117035. You may also pay online for your membership at the PAEI web site <http://www.paei.org/>.

Check Membership Choice:

\$25 Student (must be full time student) \$50.00 Individual \$150.00 Corporate**

Name: _____

Title: _____

Phone: _____ Fax: _____

E-mail: _____

Company/Corporate Name: _____

Mailing Address: _____

City, State and Zip: _____

****Corporate members please indicate second name:**

2nd Name: _____

Title: _____

Phone: _____ Fax: _____

E-mail: _____

How did you hear about P.A.E.I.? _____