

# Export Control not just for big businesses

Believe it or not, if you conduct business anywhere besides the good old U.S. of A, no matter what size your business is, you must be aware of export controls.

These are the rules that govern how global business should occur. Pacific Northwest National Laboratory's Export Control Coordinator, Bernie Beldin, recently explained export controls to a group of entrepreneurs at a Three Rivers Entrepreneurial Network meeting in Richland.

According to Beldin, an export is defined as the shipment, transfer or transmission of commodities out of the United States to a foreign entity. Something not readily known is that an export can occur within the U.S. These are considered "deemed exports" and may require a deemed export license.

Exports occur when we ship goods, information or services to other countries, when we send e-mails or faxes,



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when we hold telephone conversations or conferences, or when we hand carry commodities to other countries.

Export controls are established to maintain the economic well-being and national security of our country. There is a process to follow when exporting goods and serv-

ices that can help you avoid some of the pitfalls in conducting global business.

First, determine if the export is authorized and if the commodity requires an export license. To do this, ask yourself these simple questions:

▶ Who will receive your item? Some people and organizations are not allowed to receive U.S. exports and oth-

ers may only receive goods if they have been licensed, even items that do not normally require a license. In order to determine if the person or organization you are exporting to can receive the item you are sending you can check the following lists: Entity List ([www.bis.doc.gov/entities/default.htm](http://www.bis.doc.gov/entities/default.htm)), Treasury Department Specially Designated Nationals and Blocked Persons List ([www.treas.gov/offices/enforcement/ofac/](http://www.treas.gov/offices/enforcement/ofac/)), and The Unverified List ([www.bis.doc.gov/enforcement/unverifiedlist/unverified\\_parties.html](http://www.bis.doc.gov/enforcement/unverifiedlist/unverified_parties.html)), which can all be found on the Department of Commerce website.

▶ Where are you exporting? Different countries have different restrictions. Embargoed countries and those countries designated as supporting terrorist activities are the most restricted. Those include Cuba, Iran, North Korea, Sudan and Syria. However, there are restrictions on some products that are worldwide.

The way to help determine if an export license is needed is to check the item's Export Control Classification Number (ECCN). This is an alphanumeric code that describes a particular item or type of item, and shows the controls placed on that item. All ECCNs are listed in the Commerce Control List, which can be found on the Department of Commerce website.

▶ What are you exporting? Visit the Department of Commerce website at [www.bis.doc.gov](http://www.bis.doc.gov) and look at the CCL or go to the Department of State website at [www.pmddtc.state.gov](http://www.pmddtc.state.gov) and check the International Traffic in Arms Regulation to determine licensing. If either site suggests that a license is needed, obtain the license.

▶ What will your item be used for? Some end-uses may require a license while others are prohibited all-together. For example, entities involved in the proliferation of weapons of mass destruction and the missiles to deliver

them may not receive exports without specific authorization, no matter what your item is.

Once you have determined the licensing requirement, and, if necessary, obtained an export license, it is safe to ship or transfer the commodity.

Not following proper exporting procedures could cost the company and/or individual up to \$1 million in fines and/or up to 20 years in prison for each violation. You can mitigate these consequences by filing a voluntary self-disclosure, which states that you admit that a mistake was made.

"It's always better to be safe than sorry," Beldin said. "It only takes a little extra time to double-check if your item requires a license and could save you from some hefty fines or even jail."

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