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Export Operations & Compliance Benchmark Report: The Exporter's Balancing Act

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Published September 2012

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Executive Summary

Regulatory enforcement actions are increasing at a time when the nation's leaders are calling for exporters to lead the United States toward economic recovery. Yet, at the same time, many exporters are wrestling with applying technology solutions designed to support their regulatory compliance activities.

These findings are explained in this third annual benchmark study covering U.S. export operations and compliance, which is produced by *American Shipper* in partnership with BPE Global and the International Compliance Professionals Association (ICPA). The theme for this year's study is the balancing act between compliance and getting product efficiently out the door that U.S.-based exporters manage on a daily basis.

As readers might recall, in August 2009, President Obama directed a broad-based interagency review of the U.S. export control system. Industry was told that the goal of the review was to strengthen national security and the competitiveness of key U.S. manufacturing and technology sectors. This was to be accomplished by focusing on current threats, while also adapting to the changing economic and technological landscape. Not surprising to the trade industry, the review determined that the current export control system was overly complicated, contained too many redundancies, and, in trying to protect too much, diminished the ability of federal enforcement agencies to focus their efforts on the most critical national security priorities.

The Obama administration's plan consists of a four-pronged delivery for national export reform, creating a phased-in approach that includes:

- A single export control licensing agency for both dual-use and munitions exports.
- A unified control list.
- A single enforcement coordination agency.
- A single integrated information technology (IT) system that will cover all sanctioned and denied parties.

While some progress has been made on these activities, the most concerning piece of the reform for the export industry has been in the area of enforcement. Regular headlines are in the press reinforcing the fact that enforcement activity is increasing, and does seem to be trending with interagency coordination.

The Export Enforcement Coordination Center (E2C2) was created to coordinate the departments of State, Treasury, Defense, Justice, Commerce, Energy and Homeland Security, as well as the intelligence community. The E2C2 opened in March 2012 and is responsible for enhanced information sharing and coordination between law enforcement and intelligence officials regarding possible violations of U.S. export controls laws.

The Office of Export Enforcement (OEE) provided statistics this summer indicating that in 2011 investigations resulted in the conviction of 29 individuals and criminal convictions of 10 companies. With individuals being convicted three-times as often as companies, OEE is now emphasizing individual responsibility. These cases resulted in the imposition of $20.2 million in criminal fines and $2.1 million in forfeitures. OEE indicated in 2012 it is on track to meet or exceed those numbers.

In this context, the results from this year's survey of more than 250 qualified exporters paints a troubling picture of the state of export operations and the compliance management field. Compared to previous studies, exporters are less certain about the benefits of export control reform and unimpressed with the speed of the reform initiative. The licensing agencies that currently administer U.S. export activities all received lower grades from the export community.

However the exporters' challenges do not end with the government. Exporters participating in this year's survey are servicing more overseas markets, in many cases with fewer employees and little or no change in their investment (or lack thereof) in global trade management technologies. That said, exporters who manage products subject to International Traffic in Arms Regulations (ITAR) appear to have a better handle on export operations and compliance processes, practices and supporting technologies than their peers who are strictly subject to the Export Administration Regulations (EAR). That's a relief considering those ITAR shippers are responsible for the safe transit of potentially dangerous goods.

This year's report contains 25 figures breaking down the results from the survey. U.S. exporters should use the report to measure their organization against this benchmark. These readers should ask themselves at each section:

- How would I answer these questions?
- Where would my answers place my organization? Am I in line with my peers? Or, am I lagging behind?
- What steps should I take to better educate my organization on the issues impacting exporters today?
- What must I do to ensure that export reform positively affects my organization?

Based on the survey results and subsequent analysis, *American Shipper* and BPE Global suggest companies take the following steps to align their export practices with best-in-class operations:

- Be informed about export control reform and other regulatory activity.
- Be prepared to respond to enforcement actions.
- Communicate with internal stakeholders about GTM issues and risks.
- Be responsive to news and events in the industry.
- Be accountable to executive management and other departments.
- Strategize on your approach to managing export operations and compliance.
- Automate export activities where possible to gain efficiency and mitigate risks.

Table of Contents

Executive Summary ii

Section I: Introduction 3

> Background, Methodology & Timeframe 3

> Terminology 3

> Regulatory Agencies, Regulations and their Acronyms: 4

> Hypothesis 5

Section II: Demographics 6

Section III: U.S. Export Regulatory Reform 8

Section IV: Export Operations & Compliance Management 11

Section V: Export Operations & Compliance Technology 17

> How To Use This Study 25

> Best Practices 26

Appendix A: Index 27

> Resources 27

Appendix B: About Our Partners 28

> BPE Global 28

> International Compliance Professionals Association 28

Appendix C: About Our Sponsors 29

> Amber Road 29

> Tradebeam, Inc. An Aptean Company 29

> DAMCO 30

> SAP 30

Appendix D: About *American Shipper* Research 31

Figures

FIGURE 1: Industry Segments Represented 6

FIGURE 2: Company Size—Annual Sales 6

FIGURE 3: Percentage of Revenue From Exports 7

FIGURE 4: Primary Transportation Modes for Exports 7

FIGURE 5: "Are Exporters Benefitting from Export Control Reform Initiative?" 9

FIGURE 6: Perceived Speed of Export Control Reform 9

FIGURE 7: Effectiveness of Licensing Agencies—2011/2012 10

FIGURE 8: Exporter's Productivity Table 11

FIGURE 9: Export Operations and Compliance Reports To 12

FIGURE 10: Scope of Export Manager's Responsibility 13

FIGURE 11: Inclusion in Strategic Discussions 13

FIGURE 12: Perceived Areas of Highest Risk 14

FIGURE 13: Export Compliance Activity Outsourced 15

FIGURE 14: Export Functions Outsourced—2010-2012 16

FIGURE 15: "GTM Systems Are a Strategic Investment" 17

FIGURE 16: "GTM Systems Are a Strategic Investment"—EAR vs ITAR 18

FIGURE 17: GTM Platform—EAR vs. ITAR 18

FIGURE 18: GTM Platform—2010-2012 19

FIGURE 19: Plans to Purchase GTM Systems 19

FIGURE 20: Exporter's Productivity Matrix—Automated vs. Manual 20

FIGURE 21: Inhibitors to Investment in Systems 20

FIGURE 22: Export System Deliver Model 21

FIGURE 23: Current Functionality 22

FIGURE 24: Planned Functionality 23

FIGURE 25: Plans to Integrate GTM and TMS 24

Section I: Introduction

BACKGROUND, METHODOLOGY & TIMEFRAME

Welcome to the third annual benchmark study covering U.S. export operations and compliance produced by *American Shipper* in partnership with BPE Global and the International Compliance Professionals Association (ICPA). More than 200 U.S.-based exporters participated in this study between July 17 and Aug. 7, 2012. The 35-question survey covered export regulatory reform, operations management practices, organizational structure, compliance policies and export management technology.

The theme of this year's study centers on the exporter's balancing act. U.S. regulatory enforcement actions are increasing at a time when the nation's leaders are calling for exporters to lead the country toward economic recovery. This report seeks to shed some light on the issues exporters are wrestling with and the value of technology solutions designed to support them.

Survey distribution channels included *American Shipper*'s subscriber database, BPE Global's e-mail database, and the ICPA membership. Qualified respondents are limited to those companies exporting goods or services (so-called "deemed" exports) from the United States. This includes freight forwarders, third-party logistics providers, non-vessel-operating common carriers, and other intermediaries, in addition to shippers from all segments. Carriers and other non-qualified responses are not included in the aggregate data sourced for this report.

TERMINOLOGY

In the interest of being succinct and direct this study uses several terms or acronyms you may not be familiar with. The following explanations and definitions should be kept in mind when reviewing the study results.

Automated vs. Manual Exporters—For the purposes of this report the term "automated" does not mean a task is managed without human input. Instead, automated export management means a company is employing a substantial amount of technology to support its export operation, allowing staff to interact where necessary to solve problems and optimize the process. Similarly, the term "manual" does not mean the process is managed without the use of computers, Internet access, or other fundamental business tools. It's assumed that companies managing exports manually employ spreadsheets and other support tools.

Full Time Equivalent (FTE)—The number of working hours that represents a single full-time employee during a fixed period of time, such as one month or a year.

Global Trade Management (GTM)—Global Trade Management is the practice of streamlining the entire lifecycle of global trade across order, logistics, compliance, and settlement activities to significantly improve operating efficiencies and cash flow while reducing risk. GTM includes, but is not limited to, trade compliance, visibility to shipments, total landed cost, trade security, and trade finance.

REGULATORY AGENCIES, REGULATIONS AND THEIR ACRONYMS:

Automated Export System (AES)—System used by U.S. exporters or their freight forwarders to file documentation electronically with U.S. Customs and Border Protection.

Bureau of Industry and Security (BIS)—The Bureau of Industry and Security (BIS) is an agency of the U.S. Department of Commerce and its mission is to advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership. BIS is led by the department's undersecretary for industry and security.

Census Bureau Foreign Trade Division—The Census Bureau's Foreign Trade Division, which is an agency of the U.S. Commerce Department, compiles the nation's export and import statistics and is responsible for issuing regulations governing the reporting of all export shipments from the United States.

Commodity Classification Automated Tracking System (CCATS)—Code assigned by the Bureau of Industry and Security to products governed by the Export Administration Regulations.

Directorate of Defense Trade Controls (DDTC)—Under the U.S. State Department, the Directorate of Defense Trade Controls is charged with controlling the export and temporary import of defense articles and defense services covered by the U.S. Munitions List (USML).

Export Administration Regulations (EAR)—The EAR is issued by the U.S. Commerce Department's Bureau of Industry and Security under laws relating to the control of certain exports, re-exports, and activities, known as dual-use commodities (Title 15 of the Code of Federal Regulations Parts 730 through 774). Dual-use commodities can be used for both commercial and military applications.

Export Control Classification Number (ECCN)—A code issued by the Bureau of Industry and Security that defines the level of export control for items exported from the United States and other member states of the Wassenaar Arrangement.

International Traffic In Arms Regulations (ITAR)—These are the U.S. State Department's export control regulations for defense-related articles and services.

Office of Foreign Assets Control (OFAC)—The Office of Foreign Assets Control (OFAC) of the U.S. Treasury Department administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

HYPOTHESIS

American Shipper approaches each benchmarking exercise with a set of assumptions to prove or disprove. In the case of this study these include:

i. Exporters will incrementally increase their investment in technology and external expertise, such as consultants/attorneys, for on-demand work as a result of stepped-up enforcement activities, while keeping trade headcount flat.

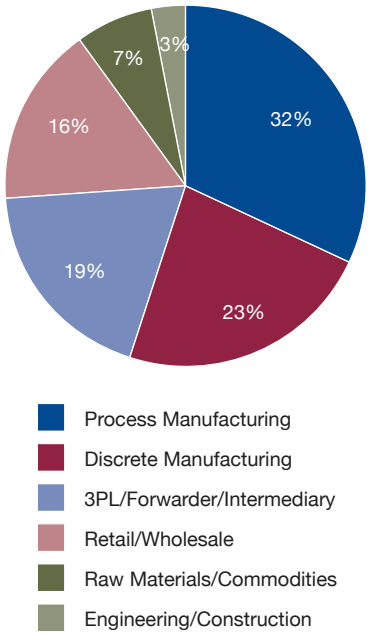
ii. Export specialists will experience increased demand to make operations and compliance activities strategic to revenue growth (see Figures 13 and 14).

iii. Exporters will focus on improving internal company awareness of compliance challenges/risks to gain support for their function as a strategic growth business unit.

Section II: Demographics

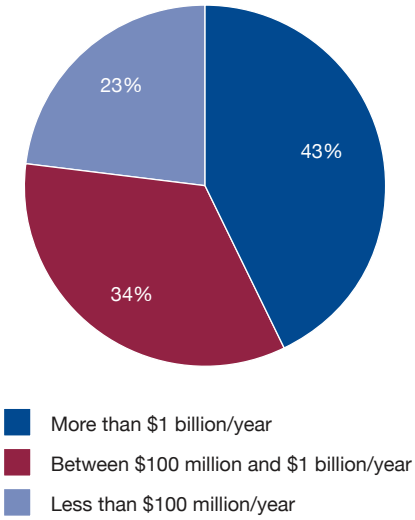
Survey participants include a cross-section of U.S. exporters, including 3PLs/intermediaries (19 percent), process and discrete manufacturers (32 and 23 percent respectively), and retailers/wholesalers (16 percent). Raw materials, commodities, construction, and engineering are presented as one group—"other shippers"—representing 10 percent of the total responses. For the most part these figures are comparable to last year, with the exception of the 3PL segment which has shrunk by five percentage points compared to last year.

FIGURE 1: Industry Segments Represented



231 total respondents

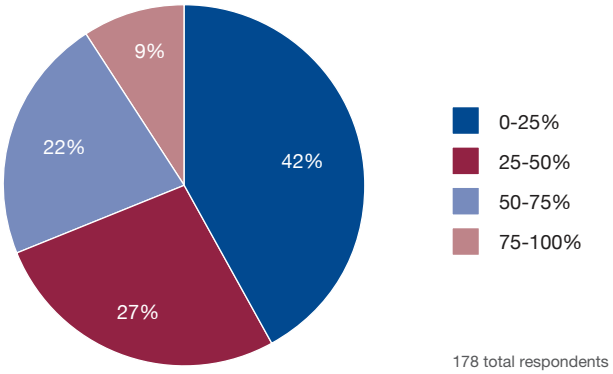
FIGURE 2: Company Size—Annual Sales



180 total respondents

Participants in this year's study vary in terms of company size with a heavy representation (43 percent) in larger companies with more than $1 billion in annual sales. The study groups small (less than $100 million in annual sales) and midsized companies (between $100 million and $1 billion) into one segment referred to as "small and medium exporters".

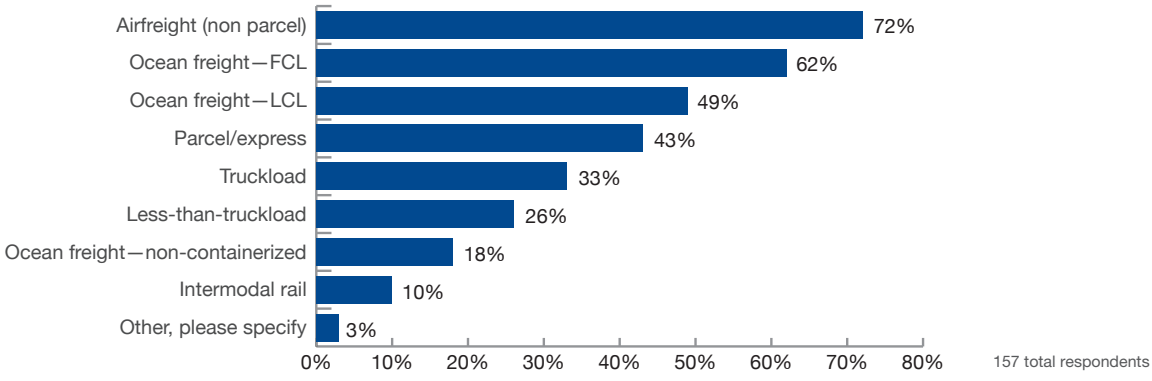
FIGURE 3: Percentage of Revenue From Exports



All qualified survey respondents rely on export business for some portion of their annual revenue. More than half of respondents report that exports account for at least 25 percent of annual revenue. This data confirms that exports are a strategic revenue contributor for most firms, which deserves investment.

Primary modes of transport align with a traditional mix of air freight, ocean, and parcel shipments, all common modes of export for firms which design and manufacture globally.

FIGURE 4: Primary Transportation Modes for Exports



Section III: U.S. Export Regulatory Reform

As readers might recall, in August 2009, President Obama directed a broad-based interagency review of the U.S. export control system. Industry was told that the goal of the review was to strengthen national security and the competitiveness of key U.S. manufacturing and technology sectors. This was to be accomplished by focusing on current threats, while also adapting to the changing economic and technological landscape. Not surprising to the trade industry, the review determined that the current export control system was overly complicated, contained too many redundancies, and, in trying to protect too much, diminished the ability of federal enforcement agencies to focus their efforts on the most critical national security priorities.

The administration's plan consists of a four-pronged approach to export reform, creating a phased-in approach that includes:

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While some progress has been made on these activities, the most concerning piece of reform for the export industry has been in the area of enforcement. Regular headlines are in the press reinforcing the fact that enforcement activity is increasing, and does seem to be trending with interagency coordination.

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FIGURE 5: "Are Exporters Benefitting from Export Control Reform Initiative?"

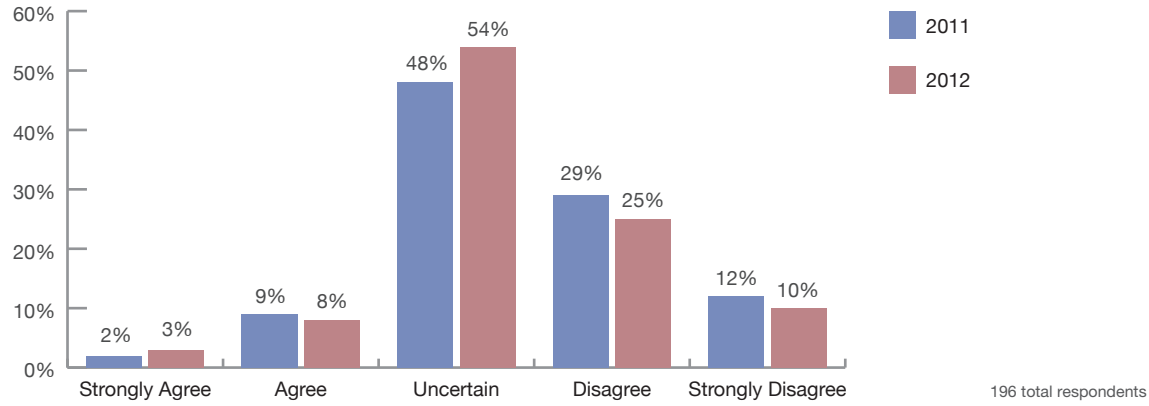
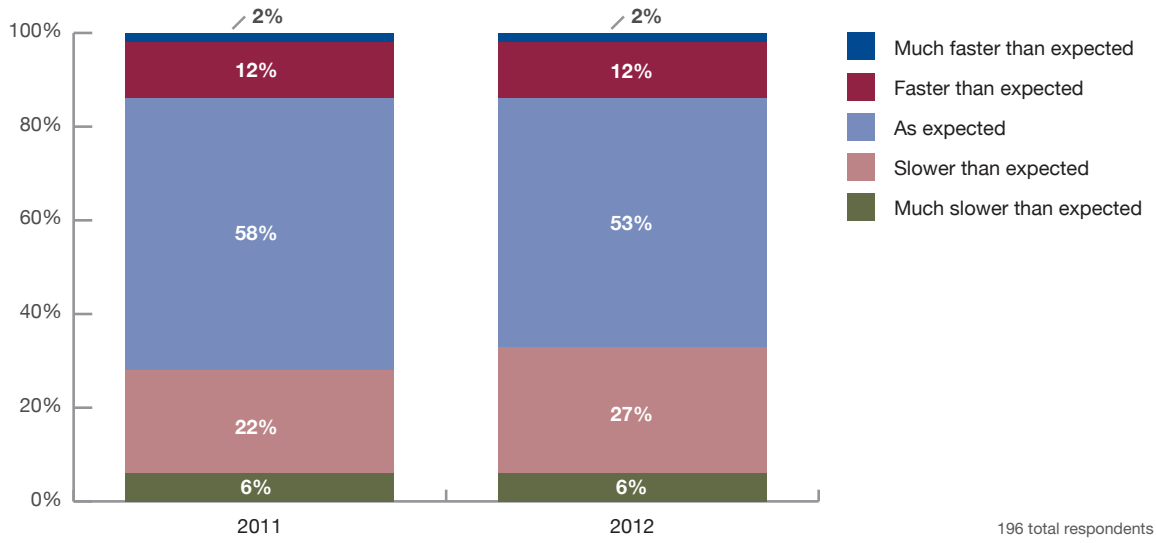


FIGURE 6: Perceived Speed of Export Control Reform



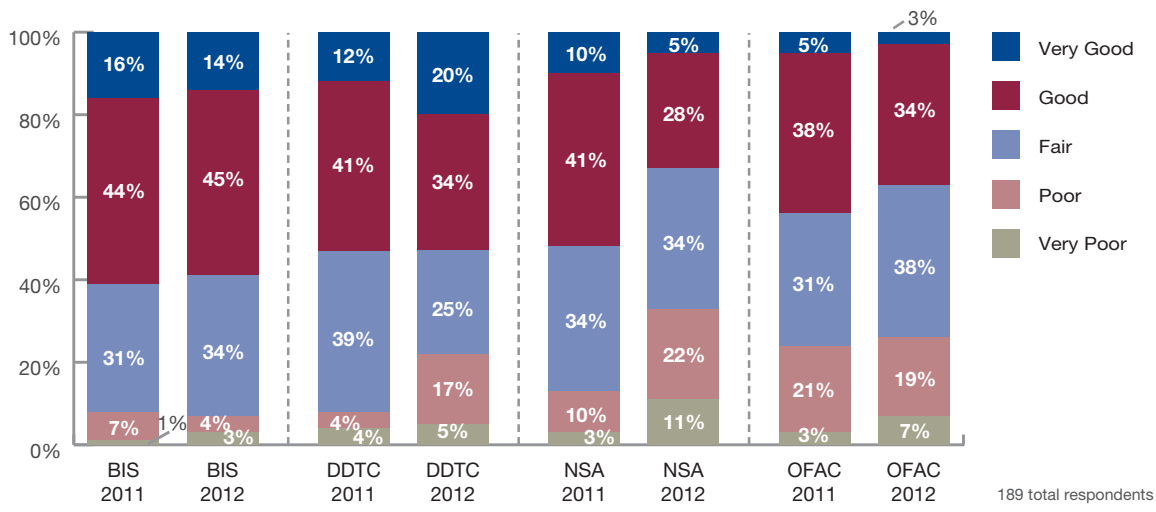
2012 study respondents are becoming increasingly uncertain if they are experiencing benefits from export reform. Rather than facilitating exports, anecdotal evidence suggests these exporters are finding regulations increasingly complex and even more difficult to administer in their operations, while at the same time reacting to increased competition from non-U.S. companies who do not have to play by the same rules.

Along with the sentiment that benefits from export reform are not tangible, exporters are also starting to become disenchanted with the speed of promised changes. Three years have lapsed since the announcement of

export reform, and U.S. exporters have continued to struggle with interpretation and implementation of complex regulations, leaving them at a competitive disadvantage in the global market.

Generally speaking, the licensing agencies received lower overall scores from survey respondents when compared to 2011 and 2012 responses related to how effectively and efficiently they process export license requests. Interestingly, DDTC increased from 12 percent in 2011 to 20 percent in 2012 in the "very good" category, which alludes to potentially faster license processing time by the DDTC in the first half of 2012. Agencies should set processing goals to accommodate industry demand, with the majority of license submitters rating them as "good" to "very good." Ranking high in this area will directly correlate to improved competitiveness by U.S. firms, and increases in exports.

FIGURE 7: Effectiveness of Licensing Agencies—2011/2012



Section IV: Export Operations & Compliance Management

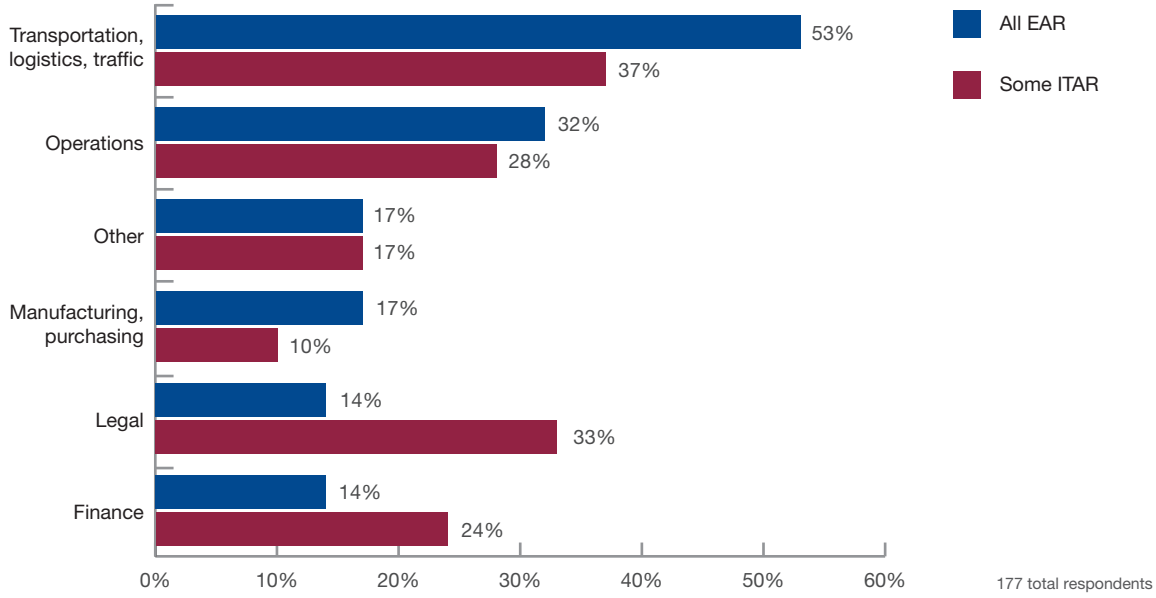
Survey results indicate the typical respondent exports to 40 countries, a slight increase from last year with five FTE resources tasked to export management, down from nine last year. This suggests the trend of doing "more with less" continues when it comes to headcount. With the volume of classifications/licenses being processed appearing fairly low, one can infer the majority of time is being spent on operational tasks, including export screening, documentation, analysis of potential license exceptions available, and other areas of export compliance program management such as policy/procedure development, auditing and recordkeeping. It is also possible with headcount decreases that some of these responsibilities are being dropped, thus subjecting respondents to risk of an export violation.

FIGURE 8: Exporter's Productivity Table

	Countries	FTE	BIS Snap-R/Year	DDTC/Year	OFAC/year
Study Average	39.8	5.1	8.9	14.6	1.7
Large Exporters (ex 3PL)	52.6	6.5	12.4	17.8	1.8
Small & Medium Exporters (ex 3PL)	26.3	2.6	4.5	9.4	1.5
Discrete Manufacturers	38.8	5.2	14.4	16.3	1.8
Process Manufacturers	42.9	4.1	11.6	8.1	1.4
Retail/Wholesale	29.9	2.3	2.9	3	2.5
Parcel Shippers (ex 3PL)	43.2	4.6	6.3	13.7	1.7

202 total respondents

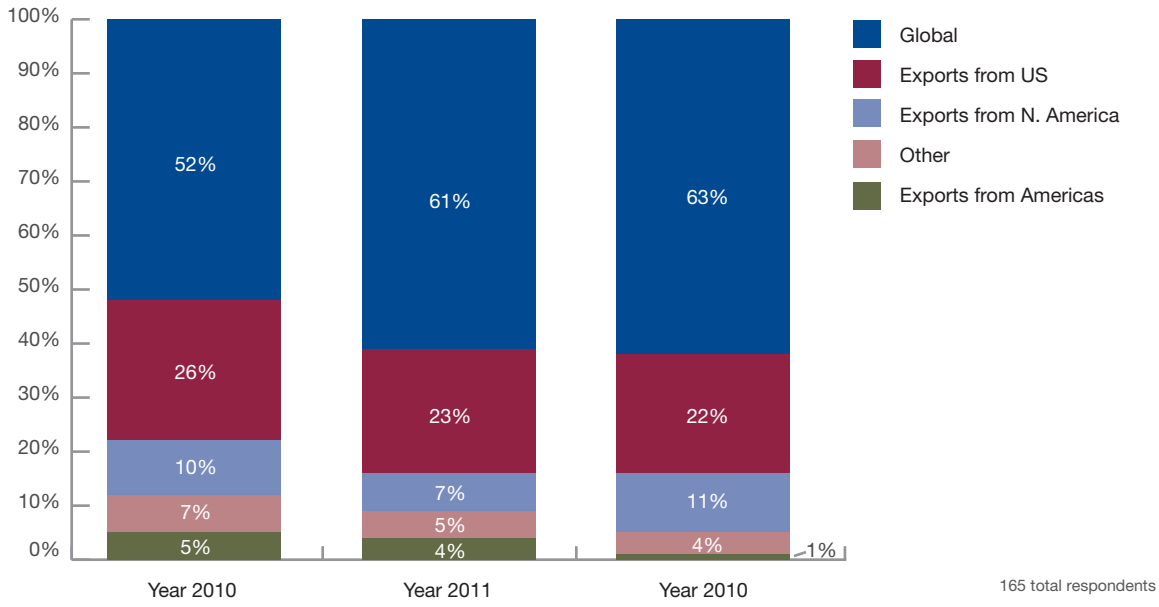
FIGURE 9: Export Operations and Compliance Reports To



As with the 2011 report, the majority of export teams continue to report to transportation, logistics, traffic, and operations, despite guidance, and the recent trend, to have export compliance personnel report to a function whose goal is risk mitigation. This year there was an uptick in reporting to the Legal function, particularly by ITAR survey respondents.

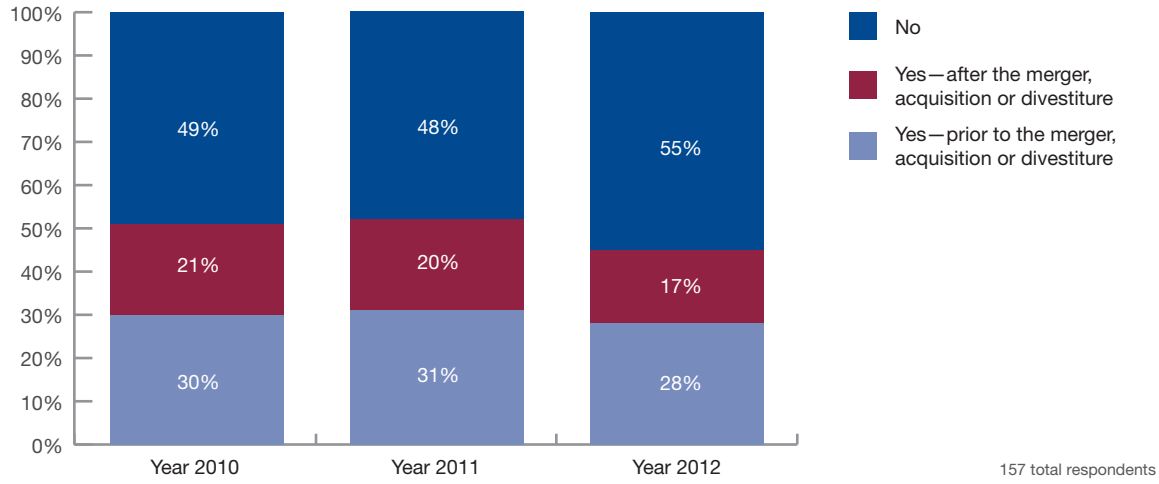
Survey results suggest export managers are continuing to expand their scope of responsibility outside of the United States and are becoming truly global. Sixty-three percent of respondents have a global responsibility compared to 61 percent in 2011. As domestic opportunities evaporate, U.S. firms are finding focus on global expansion is what keeps their businesses viable. The challenge is that export managers will increasingly have non-U.S. regulatory requirements with which to contend. These non-U.S. export control regulations may be more difficult to administer than the U.S. regulations. Today's export manager must not only have the expertise to export from the United States, but also from other key manufacturing hubs, such as Singapore, China, Malaysia, and Eastern Europe. With the reduction in FTE headcount to meet these challenges, additional external expertise may be needed to operate effectively in non-U.S. jurisdictions.

FIGURE 10: Scope of Export Manager's Responsibility



165 total respondents

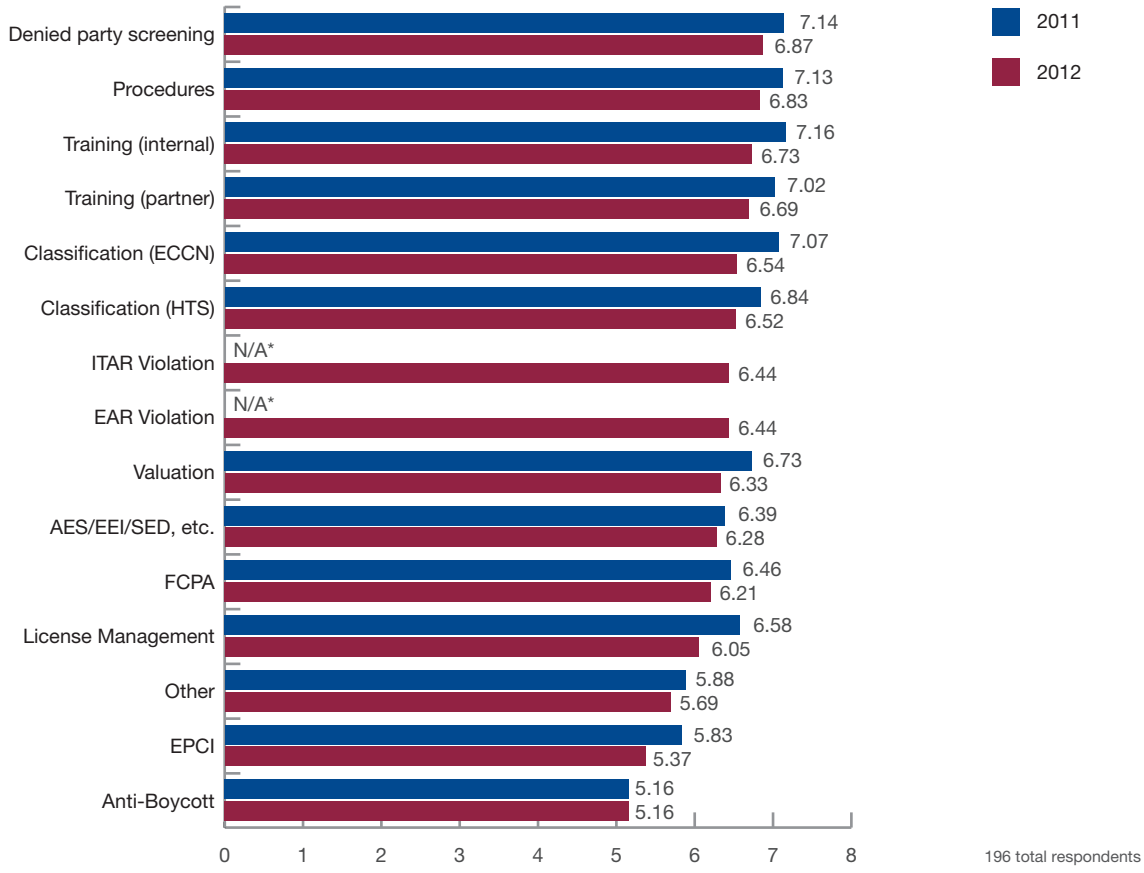
FIGURE 11: Inclusion in Strategic Discussions



157 total respondents

Despite headline news of costly export violations inherited from acquired companies, it appears study respondents are still not being included in strategic discussions about mergers and acquisitions. Executive management and outside counsel need to have export compliance included in the due diligence process for any merger or acquisition. A potential acquisition with export compliance risk should be investigated thoroughly, using expertise of trade personnel in tandem with legal counsel.

FIGURE 12: Perceived Areas of Highest Risk



*ITAR and EAR Violations were not offered as a choice on the 2011 survey.

Denied party screening continues to be the perceived area of highest risk to U.S. companies. This may be due to the many areas requiring screening, such as contracts, orders, service, downloads, partners, employees, contractors, etc. If headcount is down, it is likely survey respondents feel uncomfortable about their ability to effectively manage the screening process enough to capture all potential areas of risk. The same holds true for procedures, or lack of, throughout the organization to address all potential areas of export compliance risk, and close those gaps. Training also tops the list as an activity which needs to be done, but might not happen due to operational demands.

This year's responses on outsourcing seem to indicate a trend toward additional outsourcing. This appears consistent with the economy, keeping expenses above the line, and not absorbing more headcount. This gives exporters flexibility to outsource incremental needs to support special projects, training, risk management, as well as permitting small teams to focus on their core competency.

FIGURE 13: Export Compliance Activity Outsourced

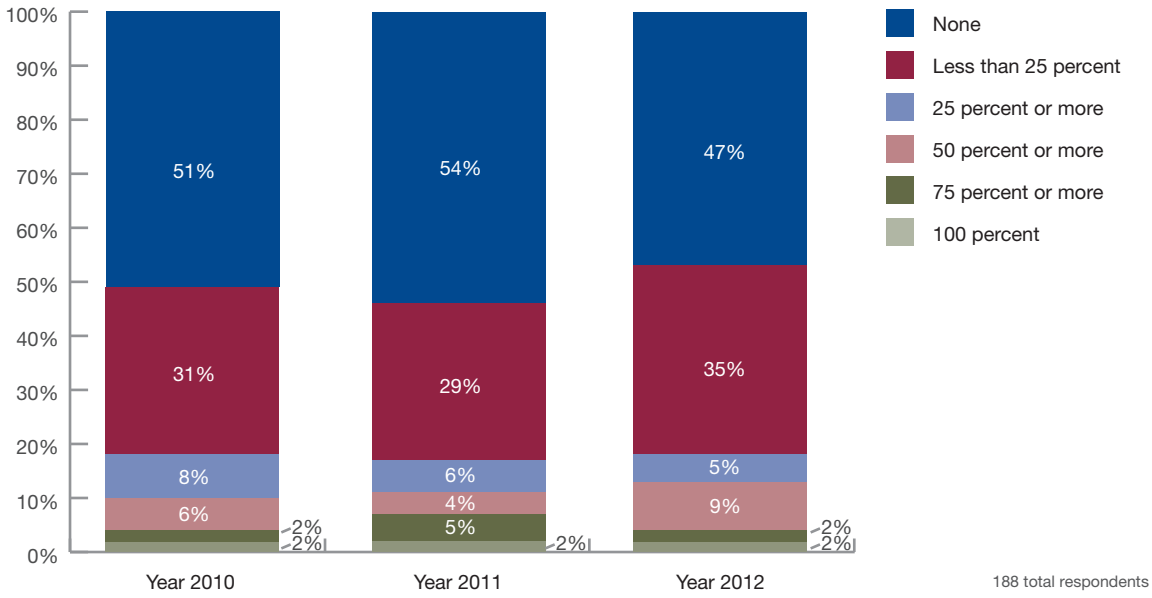
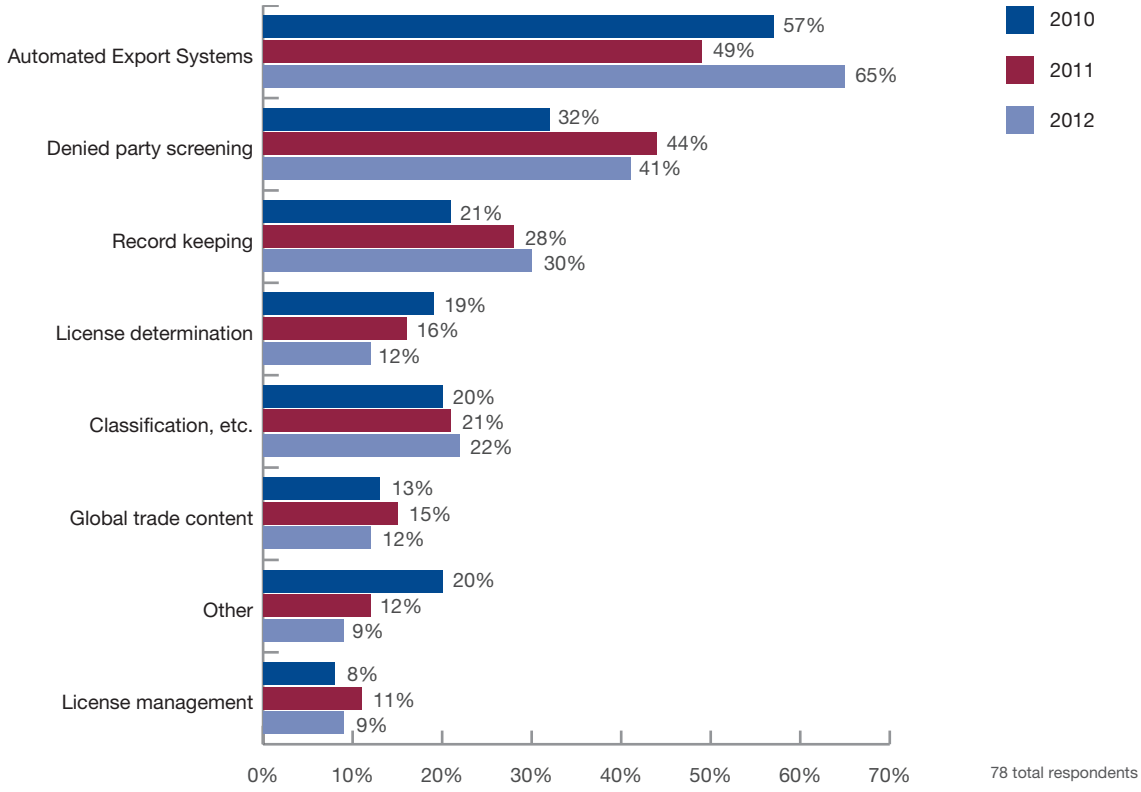


FIGURE 14: Export Functions Outsourced—2010-2012

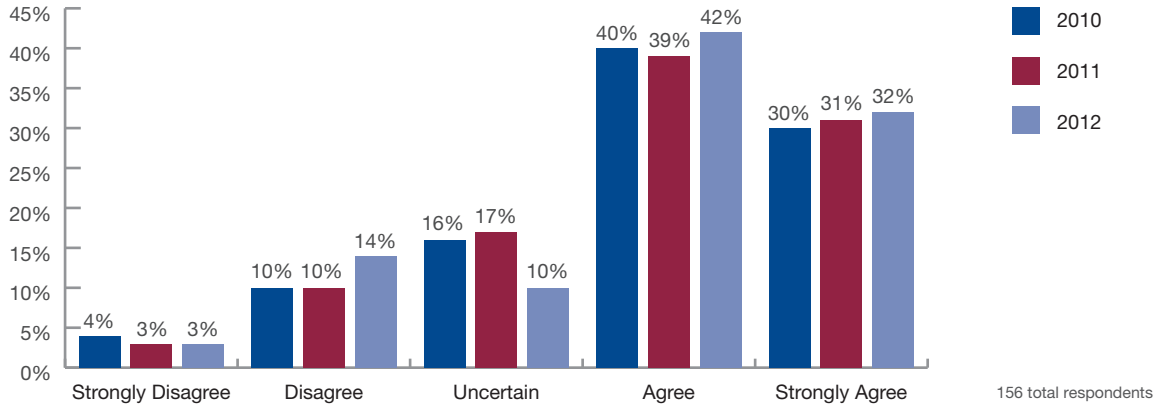


In 2012, three areas stood out with visible increases in outsourcing: AES filings, record keeping, and classifications. This is indicative of a trend in outsourcing specific tasks which free up internal headcount, allowing trade personnel to focus on more strategic matters.

Section V: Export Operations & Compliance Technology

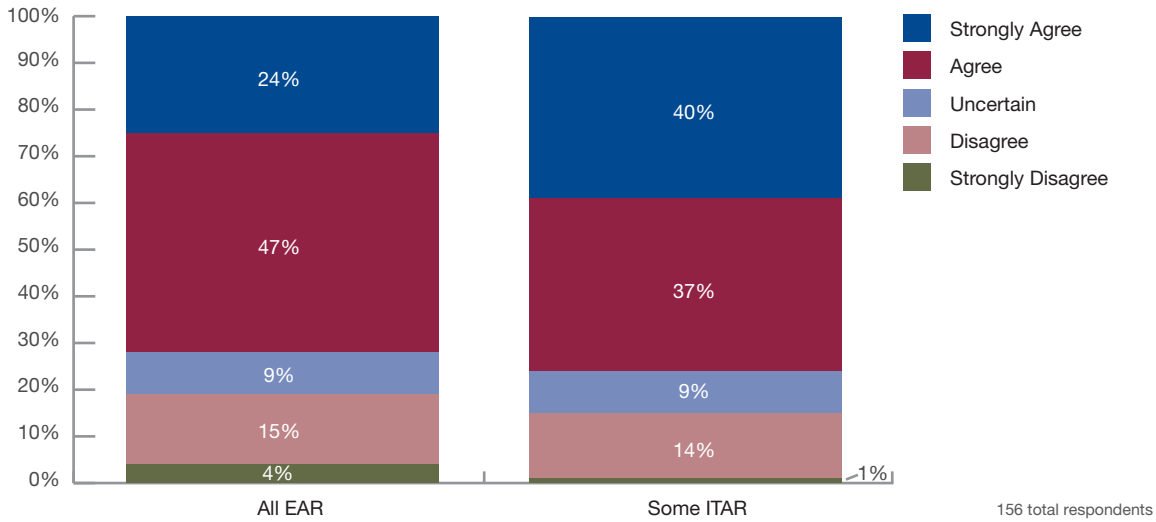
On the whole, export managers seem to agree that GTM systems are a strategic investment for their companies. This raises some questions about the credibility of the export manager within their organizations as far fewer exporters actually rely on automation as we will see in the study results that follow.

FIGURE 15: "GTM Systems Are a Strategic Investment"



Exporters who manage products governed by ITAR are considerably more impressed with the strategic advantages of GTM systems than their peers who manage EAR requirements exclusively. This is consistent with other findings in this study around the discrepancies between EAR and ITAR shippers. Companies that export weapons, munitions and other ITAR-governed products tend to take their responsibilities more seriously than those exporting more innocuous products. This may also be a result of the new environment of stepped- up enforcement levels driving exporters to address their risks.

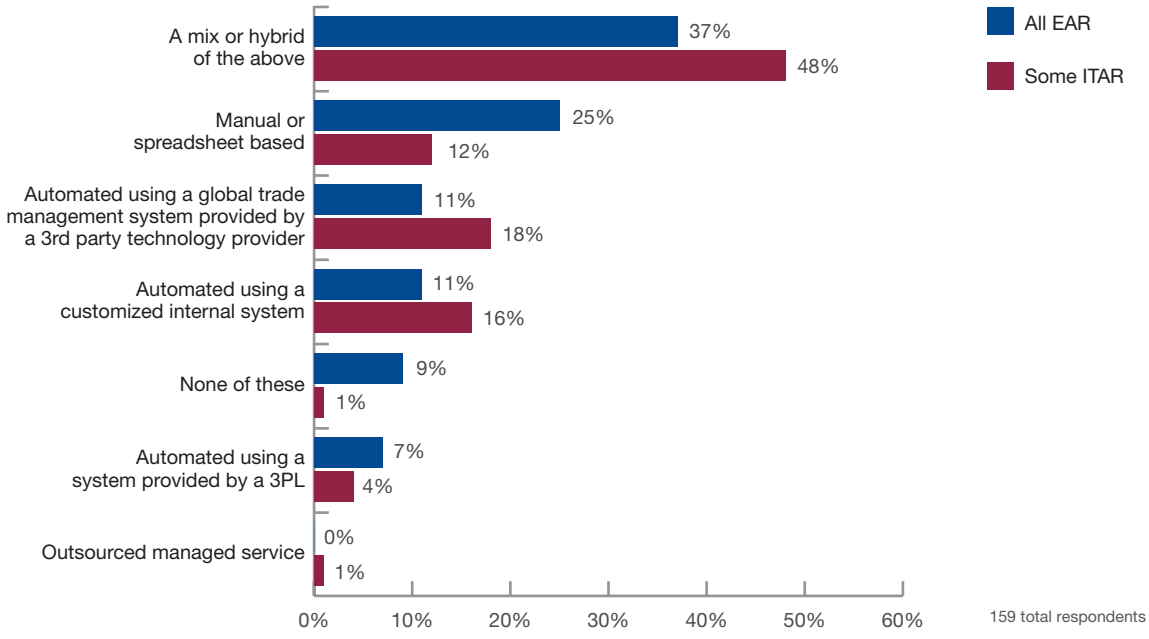
FIGURE 16: "GTM Systems Are a Strategic Investment"—EAR vs ITAR



156 total respondents

Market-penetration levels for GTM automation remain relatively low, with only one-third of respondents reporting they automate their processes by some means. This number has changed little in the three years since this report series has been tracking the subject.

FIGURE 17: GTM Platform—EAR vs. ITAR



159 total respondents

Once again, exporters managing ITAR-governed products provide the silver lining. These exporters are considerably more likely to use systems to automate export compliance and operational processes than their peers.

Despite the fact that nearly three-quarters of respondents believe GTM systems are strategic investments and only one-third actually have them, budgets to purchase or enhance GTM systems remain unavailable. Only 15 percent of respondents have a budget to address GTM within the next 24 months.

FIGURE 18: GTM Platform—2010-2012

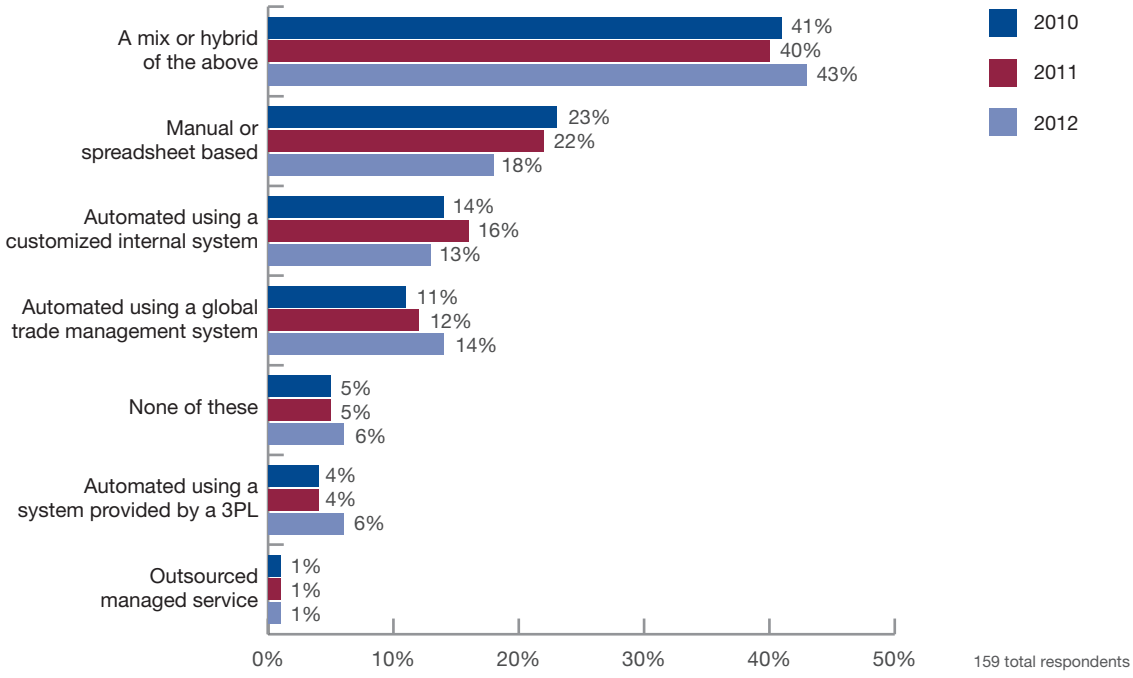


FIGURE 19: Plans to Purchase GTM Systems

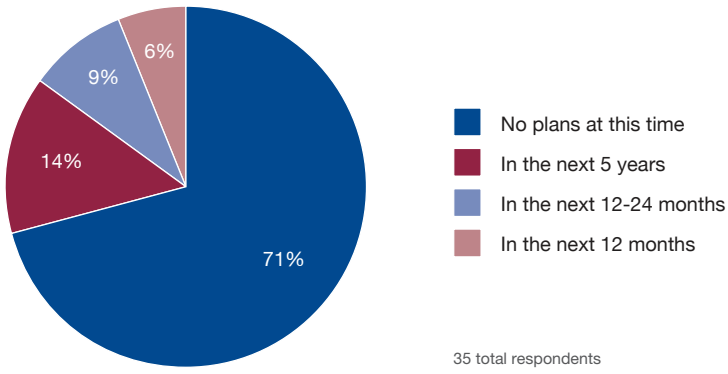


FIGURE 20: Exporter's Productivity Matrix—Automated vs. Manual

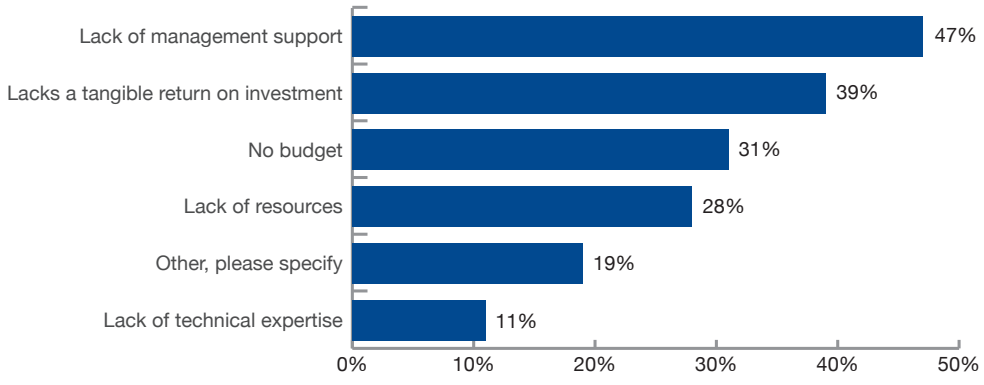
	Countries	FTE	BIS Snap	DDTC	OFAC
Automated Exporters (ex 3PL)	41.3	5.3	9.9	14.3	1.7
Manual Exporters (ex 3PL)	28.2	2.0	2.3	13.8	1.0

202 total respondents

Automated exporters service significantly large networks and manage as much as four-times the amount of regulatory filings than their manual-based peers. These findings are consistent with previous studies. It remains an interesting footnote that automated exporters rely on more than twice the amount of full-time equivalent employees than those who rely on manual processes. As this report has pointed out in previous years, this does not necessarily mean systems are less efficient. Rather systems allow the export department to touch more functions which subsequently need oversight by the compliance department. Also, bear in mind that automated exporters tend to be larger-sized companies.

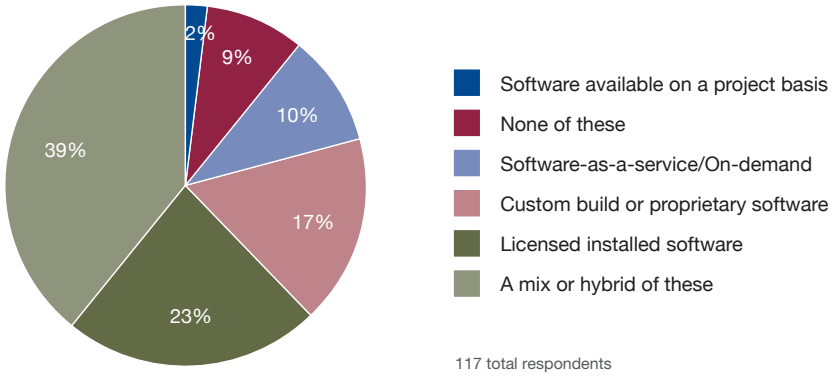
As expected, a lack of management support is the No. 1 reason exporters do not invest in GTM systems. Perhaps this new era of regulatory enforcement action will help raise the profile of GTM investments to the executive-level, but it is clear that change has not quite yet occurred.

FIGURE 21: Inhibitors to Investment in Systems



36 total respondents

FIGURE 22: Export System Deliver Model



117 total respondents

For those exporters that do leverage systems, there appears to be no clear-cut choice in terms of a systems delivery model. This makes sense because these exporters all have varied requirements and restrictions on their systems investments. Exporters looking at making an investment in GTM systems need to consider their organization's compliance requirements, risks, IT capabilities, the CIO's preferences, and other factors that play a part in selecting the correct GTM adoption path.

Current GTM functionality used by a majority of survey respondents remains basic, including denied party screening, record keeping, and documentation. With flat headcount to support trade compliance, additional opportunities exist to invest in other features which should improve efficiency and reduce risk in other areas such as AES filing, license determinations and license management. Not surprisingly, ITAR exporters tend to invest more in GTM features, however EAR exporters should be mindful of their regulatory risks as well.

FIGURE 23: Current Functionality

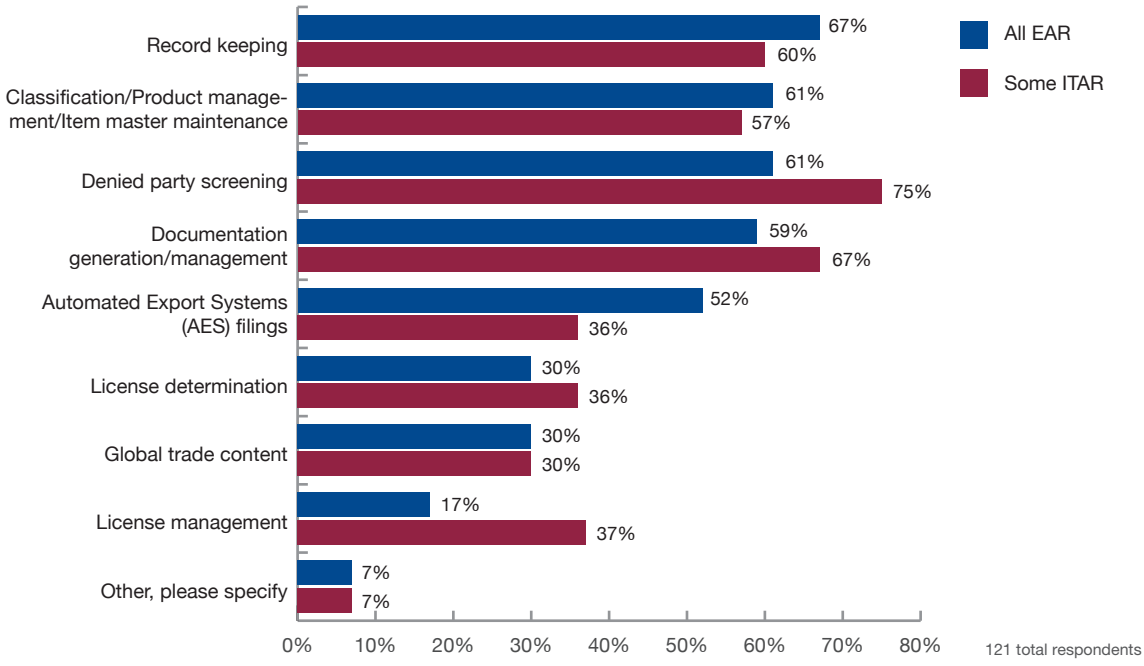
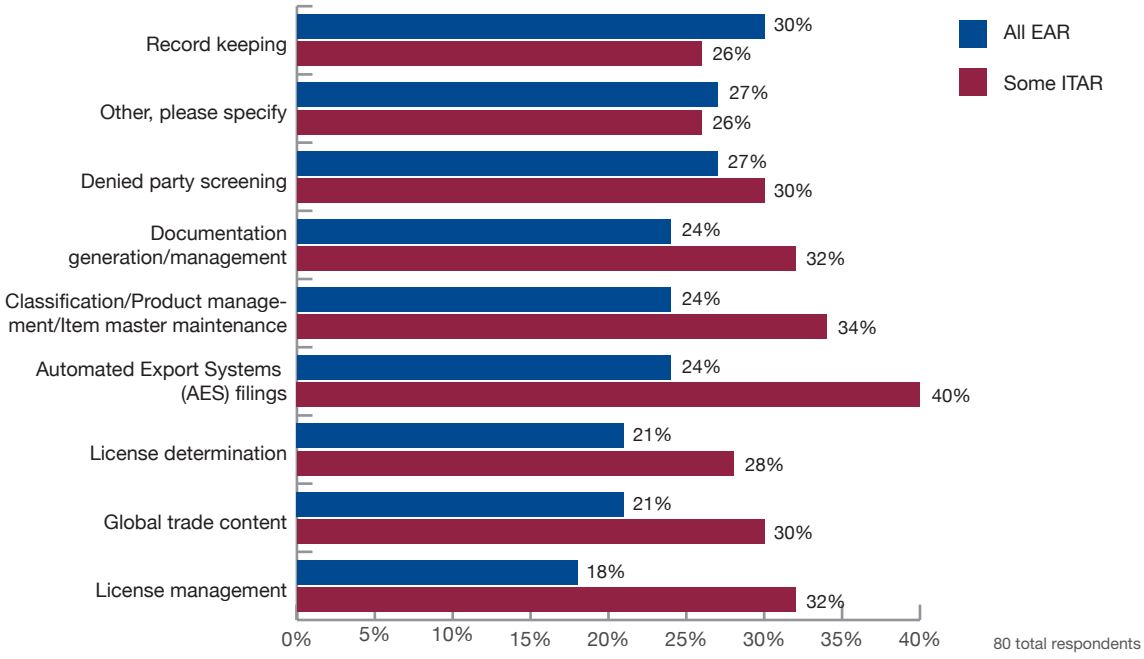
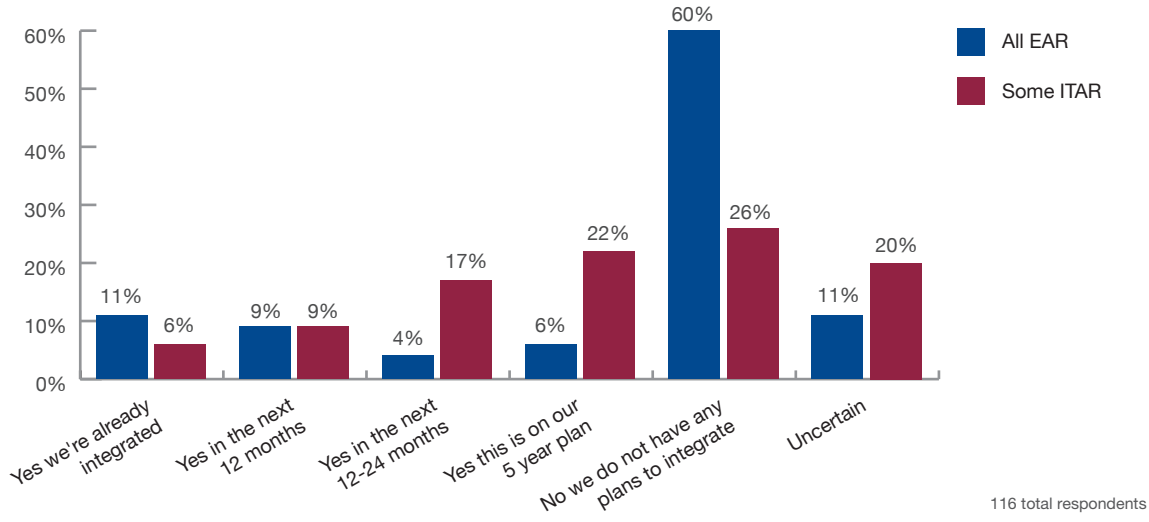


FIGURE 24: Planned Functionality



ITAR exporters responded consistently with their next investment being in AES, classification/product management/item master, and license management/document management. EAR exporters were fairly equally divided across the board among the nine areas of potential investment in functionality. Perhaps this indicates their long-term goal to invest in a robust GTM system, addressing all the areas of need for risk mitigation and operational efficiency.

FIGURE 25: Plans to Integrate GTM and TMS



116 total respondents

In keeping with the theme, exporters who are subject to ITAR have ambitions of bringing their GTM systems closer to their transportation management systems (TMS), which are at the heart of their logistics operations. This approach can help these exporters bring compliance processes further upstream and better ensure goods are not being shipped without the proper screening and licenses. Perhaps in response to increasing enforcement actions, nearly 40 percent of exporters surveyed have this initiative on their agenda for the next 12 to 24 months.

Section VI: Key Themes & Best Practices

HOW TO USE THIS STUDY

Measure your organization against this benchmark. Readers should review the information presented in this study carefully and at each section ask themselves:

- How would I answer these questions?
- Where would my answers place my organization? Am I in line with my peers? Or, am I lagging behind?
- What steps should I take to better educate my organization on the issues impacting exporters today?
- What must I do to ensure that export reform positively affects my organization?

Be aware of trends in enforcement—Is your company at risk?

Get executive attention—Make operations and compliance activities strategic to revenue growth.

Gain support for your function—Improve internal company awareness regarding export compliance.

Resources are limited, and may be so for the near term—Use Global Trade Management tools to scale, while also mitigating risk.

BEST PRACTICES

Based on the survey results and subsequent analysis, *American Shipper* and BPE Global suggest companies take the following steps to align their export practices with best-in-class operations:

- **Be informed**—Actively monitor export compliance trends and export control reform announcements from BIS, DDTC, and other federal agencies, as well as non-governmental publications such as *American Shipper*.
- **Be prepared**—Understand the implications of reform activities, such as enforcement coordination. Is your company prepared with a "best practices" compliance program?
- **Communicate**—Share strategic decisions which improve efficiency, mitigate risk, or increase revenue/decrease expenses with your senior management.
- **Be responsive**—When the U.S. government issues a proposed rule or seeks industry feedback make sure to respond. Otherwise, be prepared to live with regulatory changes which may not be conducive to your operation. Participate in your trade associations' export committees and prepare comments on the reform activity to date. Plan on joining industry working groups convened by government agencies chartered with reform, as well as those formed by your trade associations.
- **Be accountable**—Export management and related compliance functions should have accountability to the legal department and executive staff, in addition to the transportation and operations departments they traditionally report to.
- **Strategize**—Establish a global trade strategy and ensure you are prepared to change with the economy and markets in which you operate.
- **Automate**—All exporters should consider a systems-based trade management platform as a tool to manage complexity, and improve efficiency, as well as mitigate risk.

Appendix A: Index

RESOURCES

i. Update 2012 Conference—Remarks of David W. Mills Assistant Secretary for Export Enforcement—July 18, 2011

ii. Export Control Reform News

iii. White House Chief of Staff Daley Highlights Priority for the President's Export Control Reform Initiative—July 19, 2011

iv. Federal Register—Proposed Revisions to the Export Administration Regulations (EAR): Control of Items the President Determines No Longer Warrant Control Under the United States Munitions List (USML) 76 FR 419858—July 15, 2011

v. View the webcast of the Hearing on "Export Controls, Arms Sales, and Reform: Balancing U.S. Interests, Part I" Statement of Eric L. Hirschhorn, Under Secretary of Commerce—May 12, 2011

vi. Report to Congress on the Department of Defense's Plans to reform the Export Control System—May 2, 2011

vii. Bureau of Industry & Security Annual Report to Congress Fiscal 2010—January 14, 2011

viii. Government Accountability Office—Report issued on Export Controls: Agency Actions and Proposed Reform Initiatives May Address Previously Identified Weaknesses, but Challenges Remain—November 16, 2010

ix. Export.gov's Export Control Reform Home Page

x. BPE Global Hot Topic—August 31, 2011 Defining Global Trade Automation Requirements http://bpeglobal.com/hottopics/August%202011/HotTopic_August%202011.htm

xi. BPE Global Hot Topic—April 29, 2011—Developing a Systems Strategy; Part 1 http://bpeglobal.com/hottopics/11%20Apr%20Hot%20Topic/HotTopic_Apr2011.htm

Appendix B: About Our Partners

BPE GLOBAL

Decrease risk and optimize efficiency with BPE Global. Since 2004, companies have achieved results through BPE's global trade consulting and training services. BPE's team of seasoned regulatory and operational experts has the ability to navigate the complexities of global trade compliance, supply chain management, and logistics operations. As a recognized leader in trade compliance and logistics management, BPE provides solutions that are customized to your company's needs.

The BPE team is made up of knowledgeable, energetic and pragmatic licensed customs brokers, each with over ten years of experience. BPE gives back to the trade community by sharing knowledge and skills through webinars, publications, trade events, and as a recognized Trade Ambassador to US Customs and Border Protection.

Enabling companies to succeed in global business is our mission. Helping you achieve efficiencies and best practices in compliance is our passion. To learn more about BPE, visit www.bpeglobal.com.

INTERNATIONAL COMPLIANCE PROFESSIONALS ASSOCIATION

ICPA was established by Ann Lister and Lynda Westerfield to serve the needs of international trade compliance professionals. It has grown from an informal e-mail list into an organization of more than 1,000 members.

By joining ICPA you can have access to and take part in the most vital discussions surrounding international trade today. You can ensure that your views are known to government and industry partners whose policies affect your bottom line.

ICPA's mission is to:

- Disseminate information relevant to import/export and other international trade related matters.
- Facilitate networking opportunities among the membership body.
- Facilitate career opportunities and development.
- Monitor and participate in international trade issues and trends with a goal to potentially affect change and influence policy development in the global trade arena, either directly or in conjunction with other international trade organizations.
- Provide education and training, which may include wholly sponsored programs or programs in conjunction with other appropriate organizations.

Appendix C: About Our Sponsors

AMBER ROAD

Amber Road (Formerly Management Dynamics) is the world's leading provider of on-demand Global Trade Management (GTM) solutions. By helping organizations to comply with country-specific trade regulations, as well as plan, execute and track global shipments, Amber Road enables goods to flow unimpeded across international borders in the most efficient, compliant and profitable way.

Our solutions automate import and export processes, provide order and shipment-level visibility, calculate duties, taxes and fees, administer preferential trade programs, ensure regulatory compliance and simplify the financing, sourcing and transporting of goods across international borders. For more info, please visit www.AmberRoad.com or email us at Solutions@AmberRoad.com.

TRADEBEAM, INC. AN APTEAN COMPANY

Aptean's TradeBeam GTM streamlines global trading processes for enterprises and their partners. Comprehensive, integrated solutions delivered on-demand provide import and export compliance, collaborative inventory management, shipment tracking, supply chain event management, and global trade finance solutions.

More than 9,000 customers around the world rely on Aptean to manage, grow, and transform their businesses. By providing complete, end-to-end enterprise solutions, we equip companies with the ability to deliver exceptional customer experiences, grow and manage their business profitably, and become true market leaders.

Our customers not only count on Aptean for technology but also for education and training, technical support and consulting services. Our solutions are well known in diverse industries, including food and beverage, financial services, manufacturing, health care, government and more. Learn more at www.aptean.com.

Appendix C: About Our Sponsors, Continued

DAMCO

As a leading third party logistics and supply chain management company, Damco prides itself on being a truly integrated end-to-end solutions provider. The company has 10,800 employees in over 300 offices across 90 countries and representation in a further 30 countries. In 2011, the company had a net revenue of USD 2.8 billion, managed more than 2.5 million TEU of ocean freight and supply chain management volumes and air freighted more than 110,000 tons. Damco is part of the A.P. Moller-Maersk Group. www.damco.com

SAP

Our vision is for companies of all sizes to become best-run businesses. In today's challenging business environment, best-run companies have clarity across all aspects of their business, which allows them to act quickly with increased insight, efficiency, and flexibility. By using SAP solutions, companies of all sizes—including small businesses and midsize companies—can reduce costs, optimize performance, and gain the insight and agility needed to close the gap between strategy and execution. To help our customers get the most out of their IT investments so that they can maximize their business performance, our professionals deliver the highest level of service and support.

Appendix D: About *American Shipper* Research

BACKGROUND

Since our first edition in May 1974, *American Shipper* has provided U.S.-based logistics practitioners with accurate, timely and actionable news and analysis. The company is widely recognized as the voice of the international transportation community.

In 2008 *American Shipper* launched its first formal, independent research initiative focused on the state of transportation management systems in the logistics service provider market. Since that time the company has published more than a dozen reports on subjects ranging from regulatory compliance to sustainability.

SCOPE

American Shipper research initiatives typically address international or global supply chain issues from a U.S.-centric point of view. The research will be most relevant to those readers managing large volumes of airfreight, containerized ocean and domestic intermodal freight. *American Shipper* readers are tasked with managing large volumes of freight moving into and out of the country so the research scope reflects those interests.

METHODOLOGY

American Shipper benchmark studies are based upon responses from a pool of approximately 30,000 readers accessible by e-mail invitation. Generally each benchmarking project is based on 200-500 qualified responses to a 25-35 question survey depending on the nature and complexity of the topic.

American Shipper reports compare readers from key market segments defined by industry vertical, company size, and other variables, in an effort to call out trends and ultimate best practices. Segments created for comparisons always consist of more than 50 responses to keep the potential margin of error to a minimum.

LIBRARY

American Shipper's complete library of research is available on our Website: AmericanShipper.com/Research.

Annual studies include:

- Environmental Sustainability
- Export Compliance
- Import Compliance
- International Transportation Management
- Transportation Invoice Payment
- Transportation Procurement

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