

## Quarterly Newsletter of the SABIT Training Program



# SABIT Exchange



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## On SABIT's Website

[www.mac.doc.gov/sabit](http://www.mac.doc.gov/sabit)

2003 Grant Applications  
Click here to download an application. The deadline is April 7, 2003.

Questions About the SABIT Grants Program?  
Submit questions to a SABIT representative via e-mail.

SABIT Group Program  
Find out more about this innovative, industry-specific training program.

Generating Results for Host Organizations  
Read how organizations have used SABIT funding to get results here.

## Upcoming Programs



- Environmental Technologies: Wastewater
- Energy: Offshore Exploration and Production

- Standards: Telecommunications

**Interested in hosting a delegation?**

*Click on the links above*

## Maryland Department of Agriculture Expands Trade Ties with the Russian Equine Industry

**Wesley Schwalje, Marketing Coordinator**

In an effort to bolster trade relations and promote skills transfer between Russian and local businesses engaged in equine related industries, the Maryland Department of Agriculture (MDA) received funding to train eleven Russian specialists at six host farms, stables, and racetracks throughout the state. The program will strengthen equine facility management in Russia and promote international trade opportunities for local businesses. "MDA decided to apply because we realize that the Russian equine community is very interested in developing trade relationships with the U.S. We have worked with several industry leaders, but there needed to be a greater technical understanding about U.S. standards and breeding methods," explained Nancy Wallace, International Marketing Specialist at the MDA.

The MDA's outlook regarding the potential for exports and more direct sales of local equine products to Russia is optimistic. To date, Maryland horse breeders have exported approximately \$300,000 in equine products to Russia. However, exporters did experience a



The Maryland Department of Agriculture hosted a welcoming reception for its trainees. The state's participation in the SABIT Program is part of a larger strategy to promote Maryland's agricultural outputs in world markets.

loss of \$120,000 due to conflicting veterinary protocols issued by the Russian government. Once these market access issues are resolved, "We expect sales to mirror our Korean Equine project - which has shipped more than 1,800 horses at an average of \$20,000 per horse," says Wallace.

For the past six years, the MDA has worked with thoroughbred breeders to increase exports of equine products to South Korea. Maryland exporters estimate *[Continued on page 3]*

## Astronautics and AKE Form Partnership

**Erin Crouch, International Trade Specialist**

Konstantin Khrebtov, Mayya Ivanova, and Olga Bougaeva, all software engineers from St. Petersburg, Russia, began their training with Astronautics Corporation of America in December 2002. Since 1994, Astronautics has participated in six grant rounds and has hosted nineteen trainees.

Established in 1959, Astronautics Corporation of America is a leader in the design, development, and manufacturing of military and commercial electronics. Astronautics' participation in the Grants Program has allowed the organization to significantly expand its joint venture with the St. Petersburg-based firm AKE. *[Continued on page 3]*



## SABIT Exposes Specialists to U.S. Pharmaceutical Industry

**Iiona Shtrom, Sr. International Trade Specialist**

In January and February 2003, a delegation of pharmaceutical experts representing Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Uzbekistan took part in SABIT's Technology Commercialization series. The training program brought the 17 pharmaceutical manufacturers and distributors to the nation's capitol, Research Triangle Park, North Carolina, Secaucus, New Jersey, and Philadelphia, Pennsylvania.

The program's purpose was to introduce delegates to U.S. pharmaceutical organizations interested in discussing the role of technology commercialization in their industry and how that process impacts their daily activities and bottom line. *[Continued on page 2]*

**SABIT Exchange  
About**

*SABIT Exchange* is published quarterly by the Special American Business Internship Training Program (SABIT). SABIT is a U.S. Department of Commerce training initiative focusing on Eurasia offering U.S. organizations competitive grants and an opportunity to host industry-specific delegations.

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**Impact**

**“The SABIT interns of today  
become the entrepreneurs  
of tomorrow.”**

WILLIAM H. LASH, III  
Assistant Secretary of Commerce  
for Market Access and Compliance  
U.S. Department of Commerce

- More than 1,000 organizations have trained over 2,500 Eurasian managers and scientists.
- SABIT has facilitated \$220 million in export revenues and overseas investment since 1990.

[Click here for specific examples of how SABIT facilitates success in Eurasia](#)

*Articles by non-U.S. government employees express the views of the authors and should not be construed as a statement of U.S. government policy.*

**Pharmaceutical** *[Continued from page 1]*

Topics such as the legal and regulatory aspects of commercialization, intellectual property rights, emerging technologies, equipment, and manufacturing techniques were addressed.

"The training will allow me to modify my company's long-term development strategy. I obtained a much deeper understanding of



Delegates listen closely to a presentation about resolving quality issues in the pharmaceutical industry.

global trends in the pharmaceutical industry... This will allow me to play a vital role in helping to create a regulatory basis for our domestic pharmaceutical industry," said one participant.

The delegates departed for their home countries on February 22, 2003 and have already implemented business practices that they saw in action during the SABIT training. According to one participant, "We have



Delegates study marketing merchandise developed by a U.S. pharmaceutical company in Research Triangle Park, NC.

improved product manufacturing processes at my factory already. We are now looking for foreign investors to enable us to ... benchmark at a higher level ... We have also begun to promote an improved labor ethic among our employees."

**More on our website**

Learn about upcoming programs at [www.mac.doc.gov/sabit/programs.htm](http://www.mac.doc.gov/sabit/programs.htm)

**SABIT Completes Oil and Gas Executive Management Training**

**Liza Sobol, Sr. International Trade Specialist**

In March, SABIT completed the first of three training sessions scheduled for 2003 that address technical assistance needs in the Eurasian oil and gas sector. The Oil and Gas Executive Management training session included 17 senior-level delegates from several major oil and gas companies throughout Eurasia.

The Oil and Gas Executive Management session exposed delegates to corporate management and finance, project development, and strategic planning. Oil and gas companies, universities, and other industry organizations in Washington, D.C., Tulsa, Oklahoma and Houston, Texas served as hosts. The delegates also participated in a roundtable at the Greater Houston Partnership where they made presentations about their companies and current projects and held one-on-one meetings with attendees.

As a direct result of the relationships they built with potential partners during their stay, several delegates signed preliminary agreements for the purchase of equipment and consulting services. The training program also allowed U.S. companies interested in Eurasia to learn more about opportunities in the region.



The SABIT Oil and Gas Executive Management delegation attends a briefing at the Export-Import Bank of the United States in Washington, DC.

The intent of the SABIT Energy Program is to train mid-to-senior level managers and engineers in commonly accepted industry practices and standards. The program equips delegates with the management skills necessary to implement and effectively lead reform initiatives in their companies, thereby increasing transparency, corporate responsibility, and promoting sound economic policy.

Upcoming training sessions will focus on:

- Offshore Technology
- Oil Terminals

Visit [www.mac.doc.gov/sabit/energy203.htm](http://www.mac.doc.gov/sabit/energy203.htm) for more information.

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Interested in hosting an upcoming delegation? Contact Energy Program Recruiter Benjamin Chapman at [Benjamin\\_Chapman@ita.doc.gov](mailto:Benjamin_Chapman@ita.doc.gov)

## Astronautics [Continued from page 1]



Astronautics is a leader in the design, development, and manufacturing of military and commercial electronics for air, space, land, and sea applications. Pictured above is a tank driver's control and display panel.

Ivanova describes her experience with Astronautics as "a success story" and has both learned from and taught colleagues. As a software tester, she was able to help her U.S. counterparts better understand testing difficulties. After completing her training program, she now feels more capable of handling complex assignments at AKE. "I was impressed at how well organized the American business world is," said Ivanova.

Khrebtov cites the improvement of his programming skills as the most important benefit he received from his training. His work at AKE is directly connected to its joint venture with Astronautics. The software products he trained on and the organizational techniques he learned at Astronautics will allow AKE to operate more competitively in the Russian market. "I'm absolutely satisfied with my stay in the United States and my training program. I completed all of the tasks I was assigned and achieved my own personal goals," said Khrebtov.

Avi Zarmi, an Astronautics employee who worked closely with the trainees, commented, "Astronautics has been very satisfied with the SABIT Program for as long as we have participated in it, and we have reaped many positive benefits from the talents of the trainees."

### More on our website

View a list of past participants in the SABIT Grants Program at [www.mac.doc.gov/sabit/Pastparticipantslist.pdf](http://www.mac.doc.gov/sabit/Pastparticipantslist.pdf)

## SABIT Briefs - Agribusiness Training Targets Dairy Sector

Agland Investment Services, an agribusiness and management-consulting firm located in San Rafael, California, was awarded a contract to oversee agriculture and food processing training programs for food industry specialists from Eurasia.

Agland will host four, month-long training programs for representatives from Kazakhstan, Ukraine, and the Russian Far East. Each training program will include a group of 15-20 participants and cover specific agriculture and food processing subject areas, such as fruits and vegetables, dairy, confectionary, and single-use packaging.

## Affiliate Program News

On March 17, 2003 the U.S. Department of Commerce demonstrated its continuing commitment to economic development in Northern Ireland and the border counties of Ireland by signing a Memorandum of Understanding (MOU) with the International Fund for Ireland (IFI) to extend the American Management Business Internship Training Program (AMBIT). William Lash, Assistant Secretary of Commerce for Market Access and Compliance, and Willie McCarter, Chairman of the Board of IFI, signed the agreement.

The AMBIT initiative supports the Bush Administration's policy of furthering the peace process in Northern Ireland by fostering economic development in the region. President Bush also honored representatives from IFI for their significant contributions to the peace process.

In March, an AMBIT delegation of 11 executive directors from community and voluntary-based organizations in Northern Ireland visited the United States for two weeks of interactive training. The program was designed to expose the delegation to community-based economic development strategies. Training topics included social regeneration, economic development, education reform, and self-sustainability. The delegation visited sites in three areas – the Anacostia and Adams Morgan neighborhoods in Washington, D.C. and Newark, New Jersey. They also toured Harbor Place in Baltimore's Inner Harbor to learn about the revitalization of a previously economically depressed urban environment.

The AMBIT program is part of a larger Commerce strategy to promote trade and business relationships between organizations and businesses in the United States and on the island of Ireland. AMBIT was established by the Department of Commerce in collaboration with the IFI in 1995. To date, the program has trained over 130 executives.

Visit [www.mac.doc.gov/sabit/affiliated.htm](http://www.mac.doc.gov/sabit/affiliated.htm) for more information on the AMBIT Program.

## Maryland [Continued from page 1]

2003 sales of \$3 million to South Korea. "The same type of relationship could develop with Russia. The SABIT Program has enabled us to expedite the normal time it takes to develop a strong trade program. We hope to have similar success with Russia," commented Wallace.

A recent study financed by the Maryland Horse Industry Board reinforces the importance of the equine industry to Maryland's economy. The study estimated that there are 79,000 horses in Maryland and that 38,000 people earn at least part of their living from this \$5.2 billion industry. The equine industry was also identified by Maryland's Sister Cities Program as a way to foster closer ties with Russia. Maryland has maintained a sister city relationship with Leningrad Oblast (a rural region located outside of St. Petersburg, Russia) since 1993.

MDA has hosted several trade missions and reverse trade missions that have focused on expanding trade in the region. The six host farms, stables, and racetracks that agreed to host the Russian trainees were former participants in MDA-sponsored trade missions. The host organizations expect to develop strong professional and personal relationships with the trainees that will potentially lead to business opportunities. The hosts "see the value of having personal contacts in Russia who have worked in the U.S. and understand how we do things. The SABIT Program is a way for specialists to not just visit but to become a part of each other's worlds," said Wallace.

In the near future, the MDA plans to target the cattle and value-added food sectors to increase trade with Russia. "SABIT funding helps state governments target emerging markets - it provides a strong program for a state agency and an avenue for developing relationships. I would recommend this program to any state department of agriculture," said Wallace.

### More on our website

Learn more about the SABIT Grants Program at [www.mac.doc.gov/sabit/grants.htm](http://www.mac.doc.gov/sabit/grants.htm)



The first of four training programs devoted to the food processing and packaging industry in 2003 was conducted in February. Above the dairy processing delegation poses with Deputy Director Tracy Rollins.

### More on our website

For more information about SABIT's training programs in the food processing and packaging sector e-mail Tracy Rollins at [Tracy\\_Rollins@ita.doc.gov](mailto:Tracy_Rollins@ita.doc.gov)

## Affiliate Program News

The Department of Commerce recently launched the Middle East Executive Training in the United States Program (MEET U.S.). MEET U.S., which will be administered as an affiliated training initiative by SABIT, seeks to further economic diversity and restructuring efforts by offering Arab executives hands-on, intensive training in the United States. The program targets Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, the United Arab Emirates, Gaza, the West Bank, and Arab citizens of Israel (Arab-Israelis).

Two training sessions will be held in June, followed by an alumni event at the end of the year. The first MEET U.S. 2003 class will train 20 senior-level women executives from the region. The second program will be open to both male and female entrepreneurs in the field of Hospital Administration. Each month-long program will consist of a combination of interactive classroom training, visits to U.S. companies, roundtables, and discussions with trade and professional associations and other organizations.

The Hospital Administration program will include a week-long session in Washington, D.C., covering topics related to medical services, technology and equipment. The remaining portion will consist of various training opportunities at U.S. host medical companies and institutions throughout the United States. Participants will meet with American counterparts to discuss lessons learned and review case studies detailing the challenges of hospital management and administration.

**More on our website**

Additional information and applications are available at [www.mac.doc.gov/sabit/affiliated\\_meetustrial.htm](http://www.mac.doc.gov/sabit/affiliated_meetustrial.htm) or you can e-mail questions to [meetus@ita.doc.gov](mailto:meetus@ita.doc.gov).

## Non-Profit Receives Funds to Train Museum Personnel

Wesley Schwalje, Marketing Coordinator

American Friends of the Russian Country Estate (A-Force), a Washington, D.C. based 501(c)(3), non-profit organization dedicated to preserving Russia's historic country estates and museum-houses, received funding under the SABIT Grants Program to further support its technical assistance efforts. In 2003, A-Force will train two Russian museum personnel for four months in museum management, tourism, historic preservation, and regional economic development. The training is aimed at helping Russian country estates and museum-houses become self-sustainable business entities.

Whereas in the United States private donations help to cover a significant percentage of museum operating costs and major construction projects, the requisite institutional structures and laws do not exist in Russia to solicit private donations. For example, there are no tax incentives for contributions to museums. "Under the current system most museums are funded inadequately by local or federal ministries of culture. This has led to a dire situation where museum personnel are basically working for free and really necessary repairs cannot be made," observes A-Force's President Priscilla Roosevelt.

Museums also compete directly for donations with churches (church restoration is very popular among wealthy Russians), which are classified as charitable institutions under the



Leo Tolstoy wrote several of his most famous works at Yasnaya Polyana, most notably *War and Peace*. The museum is visited by half a million tourists a year.

Russian tax code. Lack of income transparency also serves as a significant factor deterring private donations to cultural institutions. Some wealthy Russians do not want the government to know how much money they have - a large donation may tip tax authorities off to potential under reporting of income. Furthermore, if an individual does want to contribute, rural



A-Force raises and distributes funds directly to Russian conservators and museum professionals. The organization works with rural artists, restorers, architects, and builders to complete preservation projects on some of Russia's most treasured museum-houses and estates.

estate museums lack the visibility that cultural icons like the Bolshoi Theater have in terms of drawing private donations.

A-Force recently trained an employee from the historic museum-house of Leo Tolstoy known as Yasnaya Polyana, which is located in the Tula Region outside of Moscow. Tolstoy wrote many of his books here, most notably *War and Peace*. Under A-Force's grant, Anna Radinskaya, Special Events Coordinator at Yasnaya Polyana, spent one month in Atlanta, Georgia at the Margaret Mitchell House. During her training, she helped to organize an event at which Vladimir Tolstoy, Director of Yasnaya Polyana, spoke to members of the Association of Southern Architecture. Radinskaya also spent one month training at Monticello, the historic home of Thomas Jefferson located in Charlottesville, VA.

Yasnaya Polyana is one of the most popular rural tourist destinations in Russia. Half a million tourists visit per year. "Real self-sustainability is a pretty distant goal, but the idea is that the trainees pick up ideas from our institutions for profitable museum-related activities. The new Director, Vladimir Tolstoy, is young and dynamic - thinking constantly about gift shops, restaurants, and how to turn Yasnaya Polyana into a tourist destination," said Roosevelt.

Roosevelt strongly believes that the personal relationships host organizations form with trainees can serve as a catalyst for change. The Director of the Margaret Mitchell House will attend a conference at Yasnaya Polyana later this year. "This may just be the start of a real collaboration between the two literary museums," commented Roosevelt.

**More on our website**

View a full list of the organizations that have participated in the SABIT Grants Program at [www.mac.doc.gov/sabit/Pastparticipantlist.pdf](http://www.mac.doc.gov/sabit/Pastparticipantlist.pdf)