



S A B I T

**PROMOTING  
PARTNERSHIPS,  
GENERATING  
RESULTS**

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# SABIT EXCHANGE

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**Grantee Profile**

## Aria sings praises of technical partnership to secure investment

**Chris Vacca, COO Aria Analytics, Inc.**

**A**ria Analytics, Inc. is a spin-off company from 5iTech LLC, a consultancy that identifies unique, novel technologies from Eurasia that show promise of commercial success in the U.S. marketplace.

Using acoustical mechanical impedance (AMI), Aria technology reveals the unique digital signature of complex liquids. Our talented team of partners at the Institute of Applied Physics in Nizhny Novgorod, includes both the inventors of this technology and a strong team of supporting scientists. The professionals on the U.S. team have complementary business management, engineering, software and R&D skills. Applications development is currently underway for the materials science, paint and coatings, and dairy industries.

Since 2003 5iTech has provided extensive support for Aria by laying the groundwork for further technology development. This required nurturing the technology through its initial stages of development, and insuring the technology is well protected by patents in both the United States and Russia. Simultaneously, Aria and 5iTech assembled an experienced management team focused on commercialization, and sought external investment to augment their own capital contributions.

Geographic separation of Aria and the Russian team was making final development of plans for our instrumentation increasingly difficult. It is hard enough to conduct business when one is in different areas of the same building, but being thousands of miles apart presented new challenges. We wanted a deeper understanding of the technology, and our Russian counterparts needed to better understand the

product development and business processes in the United States.

5iTech presented the perfect solution: a SABIT grant that provides funding support to conduct hands-on training with Eurasian partners. Aria set about choosing the "right" time for the visit to maximize the experience. We planned and planned for about 5 months, but the perfect arrangement eluded us! Finally, in March this year, in the midst of a heavy push for investments, our Russian colleagues came to Cleveland. The training plan included close collaboration with the Russian team to develop detailed instrument specifications for both hardware and software, visits to manufacturing partners for our product, and meetings with potential partners and investors. The Russian interns also helped Aria to collect data, develop protocols, and learn the technology better. Aria imparted its business and product development expertise to the interns, and supported the submission of a research grant proposal. Peppered in between all of this work was the desire to share our city and culture with our Russian visitors. We attended the Cleveland Orchestra, toured the city, spent time together in our homes, and enjoyed the many world-class museums in Cleveland.

The greatest moment of the entire experience came in the interns' last week with us. Aria and 5iTech had been in talks with an investment group for a month. They remained a little skeptical of the potential for success for a technology undergoing long-distance, joint development. During one of our meetings, we introduced our "secret weapon". We described our work together since the Russian team's arrival and displayed our achievements. The chemistry between Aria and the Russian team, developed during the SABIT grant period, was obvious to the investors and it sealed the deal. The investment group decided to provide seed funding to Aria. Before the team returned to Russia, 5iTech, the investment group and both halves of the united Aria team shared a dinner to celebrate the future of their technology commercialization partnership.



**Concept of instrumentation using AMI technology.**



**Aria Product Development Team (L to R):  
Ben Johnson, Artem Pelyushenko, Dr. Tanya  
Yakhno, Michael Dowell, Chris Vacca.**

## SABIT Exchange

### About

SABIT Exchange is published quarterly by the Special American Business Internship Training (SABIT) Program as a service to its clients. Founded in 1990, SABIT is a U.S. Department of Commerce initiative that awards grants to American organizations, and provides group training programs for Eurasian managers and scientists.

### How To Reach Us

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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 3,300 Eurasian managers and scientists.
- SABIT has facilitated \$750 million in export revenues and overseas investment since 1990.

*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.*

# SABIT Bids Fond Farewell to Susanne Lotarski

## Tracy Rollins

**S**usanne S. Lotarski, Director of the Office of Eastern Europe, Russia and the Independent States retired on June 30, 2005 after 32 years of service. For more than two decades she served as director and was responsible for trade policy development, economic information, business assistance, bilateral commercial commissions, and technical business assistance programs for 27 countries of Central and Eastern Europe and Central Asia.

A recipient of the Commerce Department's Gold Medal in 1993 for initiatives supporting democracy and free markets in Eastern Europe and the former Soviet Union, she accompanied eleven Secretaries of Commerce for commercial negotiations with China, the Soviet Union, Russia, and the countries of Central and Eastern Europe. She was instrumental in the creation of the SABIT program, traveling all over Russia interviewing hundreds of candidates for the pilot grant program.

An expert on the political and economic systems of this region and fluent in Russian and Polish, Dr. Lotarski taught political science at Vassar College and was a Fellow of Columbia University's Research Institute on Communist Affairs directed by

Dr. Zbigniew Brzezinski before joining the Commerce Department in 1973. She holds a Ph.D. from Columbia University and a B.A. with Honors from Vassar College. Prior to assuming the directorship in 1981, she served as Director of the Eastern European Affairs Division and Acting Director of the People's Republic of China Division during opening of trade relations in 1979-80.

Dr. Lotarski is Trustee of the Polish Institute of Arts and Sciences of America, Director of the Polish American Congress Washington Metro Division, and former trustee of Alliance College. She was awarded the Officer's Cross of the Legion of Honor by Poland's President Lech Walesa. Dr. Lotarski is moving on to become the President of the U.S. - Ukraine Business Council.



**Assistant Secretary William Lash (L) and Deputy Under Secretary Timothy Hauser (R) present an award to Susanne Lotarski in recognition of her many years of service.**

## Announcements and Events

### 12th Annual CIS and Eastern Europe Business Forum

**T**he University of Arizona is pleased to announce the 12th annual CIS and Eastern Europe Business Forum to be held at the Hilton Tucson East on October 27, 28, and 29, 2005. The forum will provide an analysis of political, economic, and legal aspects of business ventures in the former Soviet Union as well as Eastern Europe, and will present case studies of successful American businesses and strategies for success. Representatives of various government programs that support American business ventures in the NIS and Eastern Europe will be present to answer questions. Join us for this unique opportunity to get the expertise of highly qualified professionals in academia, government and business.

If you would like to be a presenter at the forum, e-mail Roza Simkhovich at [roza@dakotacom.net](mailto:roza@dakotacom.net), or call 520-298-6599. To learn more about the conference, visit last year's conference web site: <http://russian.arizona.edu/business/2004/index.htm> for pictures and presentation information.

### BISNIS Releases Product Certification Reports

#### Philip de Leon

**I**n the Spring of 2005, the BISNIS Representatives in Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine and Uzbekistan conducted a study on the Product Certification Process in their respective countries. The purpose is to assist U.S. exporters better understand and navigate the certification process to properly enter these markets.

The BISNIS reports provide an overview of certification and conformity assessment systems, including information on regulatory agencies and their functions; current legislation; mandatory certification versus voluntary declaration of conformity; how (if at all) international certification/standardization laws and regulations affect domestic systems and policies; and on the standardization and accreditation systems as they relate to certification and conformity assessment processes.

The reports can be found at: [http://www.bisnis.doc.gov/bisnis/cert\\_report.cfm](http://www.bisnis.doc.gov/bisnis/cert_report.cfm)

# Constructing Commercial Partner-ships

Patrick Brennan

**F**or four weeks in May and June, SABIT provided technical assistance under the Residential and Commercial Construction Program to a delegation of leading executives and engineers from the Central Asian construction industry. Through a series of site visits, meetings and presentations, the program introduced these delegates to key concepts and new techniques in American residential and commercial construction. After beginning the training program in Washington, DC, the group traveled to the Chicago area and North Carolina for meetings with material and equipment suppliers and local government agencies of the construction industry, as well as visits to projects sites with private contractors. Highlights of the program include meetings with Spancrete Industries in Milwaukee, Wisconsin, and Rodgers Builders, Inc. in Charlotte, North Carolina. The Central Asian delegates also had the opportunity to meet with American Steel Frame Housing, Inc., which specializes in steel frame construction.



**The delegates and their hosts pause for a photo during a tour and discussion of materials, equipment and techniques employed in a modern construction project.**

Participation in this SABIT program gave Savas'h Atvur, President of American Steel Frame Housing, Inc. double satisfaction: first, from a business point of view, and second from a personal standpoint. As a leader of an organization that provides light gauge steel frame systems to the national and international markets, Mr. Atvur eagerly took advantage of the opportunity to present to SABIT's Central Asian construction managers and engineers. And second, from a personal point of view, he was able to relate to the Central Asian delegates, with whom he shares a reasonably similar background. Originally from Turkey, Mr. Atvur has lived and worked in the United States for nearly forty years. A former professor at Georgia State University, Mr. Atvur, was reminded of his days in the classroom: "It gave me absolute pleasure to be in front of the Central Asian delegates, to answer some of their



**Delegates observe a Rodgers Builders, Inc. project site, which is a mixed-use development in Charlotte, North Carolina.**

tough questions, and to see their eyes light up as they realized the potential benefits of steel frame construction for their own individual circumstances."

American Steel Frame Housing is the strategic partner of Dietrich Metal Framing. It was easy for Mr. Atvur to convince Dietrich and his other domestic partners to devote time to meeting with the SABIT delegates, who, Mr. Atvur asserts, "will pull out our brochures when they are ready to move forward with certain construction projects. Every one of the 6 representatives from 3 different companies, who had an opportunity to meet with the group, was really thankful that we made them part of this training initiative." Atvur continued: "It offered good exposure of our products and services. It was also very effectively organized, such that we were able to hold in-depth discussions on steel frame housing. The professionalism and quality of the interpretation between English and Russian enabled our presenters to closely interact with the delegates."

Regarding the commercial benefits of participation, Mr. Atvur commented: "Any company, who has the privilege to be invited to these types of meetings and training sessions, is really investing in their future. To take a day or 2 to meet with groups like this - especially a program that is so well organized - provides an excellent opportunity to establish long-term relationships with international customers and partners."



In the third quarter of 2005 SABIT will implement four industry-specific group training programs designed to encourage U.S. exports to, and investment in, Eurasian markets. Currently, SABIT is recruiting interested U.S. companies and organizations to act as hosts for a half-day to two days of practical, technical training, including seminars, site visits and roundtable discussions. U.S. hosts are given the opportunity to introduce their products and services to Eurasian decision-makers in their industry. Delegates are mid- to upper-level management and engineers. The SABIT Group Program is an excellent way for U.S. firms to establish or extend business relationships in Eurasia.

### **Healthcare Administration (Russia)**

August 6 - September 3

[www.mac.doc.gov/sabit/healthcare-rus.html](http://www.mac.doc.gov/sabit/healthcare-rus.html)

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### **Energy: Oil Refining (NIS)**

August 13 - September 10

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

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### **Dairy Processing and Packaging (Western Eurasia/Caucasus)**

August 20 - September 17

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

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### **Energy Efficiency in Construction (RFE)**

August 27 - September 24

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

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# Timber Delegates Tour Pacific Northwest

## Erin Crouch

A group of eighteen Russian managers from sawmills and secondary processing facilities visited Oregon June 15- June 22 with trade specialist Erin Crouch. From their base in Portland, the group visited processing facilities in Prineville, Eugene, and Riddle, Oregon.

According to studies by the Moscow Narodny Bank released in 2004, Russia contains some 22% of the world's timber, yet the forest products sector (timber, finished products, pulp and paper) accounts for only 2.2% of total GDP. Accordingly, the Russian government is focusing on value-added technologies and reducing raw log sales.

U.S. companies are quick to see the opportunity for providing the right equipment. Gail Snyder, Senior International Trade Specialist at the U.S. Commercial Service in Portland, Oregon attended a roundtable meeting with the delegation on Friday, June 17. She took notes on each delegate's equipment needs to follow up with Oregon-based producers.



**A technician from Consolidated Lumber in Prineville, OR provides the delegates with a demonstration lumber processing.**

## Alumni News

### Interview with Water Resource Alumnus

#### Erin Crouch

*Trade Specialist Erin Crouch met with Mr. Arman Zholdasbekov, General Director of Plast Invest LLP, in his hometown of Almaty, Kazakhstan on May 31, 2005, a month after his participation in the SABIT Water Resource Management for Central Asia program (March 12- April 9, 2005). He was glad to answer a few questions on how his involvement in the program has already affected his company.*

**EC:** Have you made changes in your organization since your return?

**AZ:** As a manager, I was really impressed with the American management style- "team work" and involvement from employees- I've adapted my own management style since my return. I'm changing the attitude of my employees to their own work, as well. Punctuality and the value of time were emphasized for me on the program. I used to start work around 10 or 11 am, and now I start at 8:30 sharp.

**EC:** What part of the program has turned out to be most useful for you?

**AZ:** As a practical example, my visit to DC Water and Sewer Authority and the Washington Aqueduct had the biggest effect. It demonstrated water sales and commercial water use development.

**EC:** Have you had any contact with the American companies you met on the program since your return?

**AZ:** Yes, I've been working with William Hess from the Ex-Im Bank, whom I met at the round table we had, discussing financing for American suppliers and possible equipment purchases. He was here in Almaty not long ago. I've also been in touch with a water meter company that I met with in California, and the BISNIS representative in Kazakhstan.

In Eugene, Peterson Pacific and Forest Machine Woods Production demonstrated their equipment and provided Russian-language CD-ROMs with catalogs and demos for the group to take home.



**Delegates tour the Zip-O-Log plant in Eugene, OR**

New technologies for veneering, wood wrapping, MDF, and plywood manufacturing were demonstrated at Weyerhaeuser, Roseburg Wood Products and Contact Lumber. Beltek Corporation and Premier Gear Machine Works, having ties with Russia that date back to 1972, demonstrated softwood peeled veneer lathes and hardwood slicers to the group.

Utilizing low quality wood and wood by-products is a priority for both the Russian and U.S. timber industries, and the two sides found many common interests. Many of the companies the delegation visited use wood waste for co-energy producing, and the chips used at the Weyerhaeuser MDF facility come from other Weyerhaeuser sawmills. Mulchers at Lane Forest Products (manufactured by Peterson Pacific) offered another option for utilizing branches and landscaping waste.

Past SABIT timber programs have resulted in the current construction of an OSB plant in Khabarovsk, Russia, and future successes from this group seem likely as well.



**Arman Zholdasbekov and Erin Crouch discuss the impact of the SABIT Water Resource Management Program on Mr. Zholdasbekov's business and management practices.**

**EC:** Have you been in touch with any of the other delegates from the program?

**AZ:** Yes, with all five of the Kazakh participants and two of the Tajiks. I have also been

in touch with Davran Basarov from Turkmenistan. Kiyspek Kobegenov from Irtysh Basin Water Management [a Kazakh participant] and I are planning to work together on a water conservation project.

**EC:** What are your future plans?

**AZ:** All of my plans are connected with my company's development. Construction and water conservation equipment, especially polyethylene piping, is a planned direction for us. We're also considering starting our own factory to make this type of pipe. In general, our company has been open for a little over a year, with considerable success so far, and we intend to continue our growth. I have been working with Banat Ashkenova, SABIT's representative in Almaty, and she has helped arrange several meetings for us. We will be taking part in a water equipment conference in California in June of this year. I personally would like to thank SABIT for the opportunity provided to me and my company through the program.