



S A B I T

**PROMOTING  
PARTNERSHIPS,  
GENERATING  
RESULTS**

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

**2005 Group Schedule**

Interested in expanding your network in Eurasia? View the 2005 Group schedule.

**SABIT Results**

Find out how SABIT's training programs have helped U.S. companies find success in Eurasia.

**In the News**

**Click below to read the latest press reports on the SABIT Program**

**Road Construction Group Meets with AAG**

# SABIT EXCHANGE

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A PROGRAM OF THE U.S. DEPARTMENT OF COMMERCE

**Alumni News**

## SABIT Alumni Meet in Nizhny Novogorod

**Irena Staniak, SABIT Coordinator, Moscow**

In the summer of 2004, SABIT staff in Moscow began planning for the next SABIT Alumni event in Nizhny Novgorod. As Russia's fourth-largest city, it has been an important commercial center throughout Russian history. On January 27, a stream of people began arriving to attend the alumni event at the Nikola House hotel, a newly renovated hotel on a hill overlooking the city's Kremlin. Participants included fifteen SABIT alumni, six Russian specialists who participated in technology commercialization seminars organized by SABIT, and fifteen alumni of the Open World program. Coincidentally, our colleagues in the Open World program were also planning a seminar in Nizhny Novgorod, so the two programs joined forces for a SABIT seminar and reception, followed by a two-day Open World training program.

The SABIT Seminar was a lively event and the audience showed a keen interest in the topics, which was demonstrated by the thoughtful questions and the discussions that spilled over into the coffee break. The first speaker, Dr. Vladimir Zinov, discussed strategies for attracting investment in tech-

nology commercialization, a pertinent topic given Russia's highly qualified workforce in scientific and technical fields. Dr. Zinov is both the General Manager of the Russian Academy of Sciences' Research and Development Commercialization Center for Chemical Physics and the Dean of the Innovative - Technological Business Faculty at the

*[Continued on page 5]*



**(L to R) An Open World alumna poses during a reception at the Nikola House with Sergey Krivatkin (SABIT Hospital Administration 2003), Irena Staniak, Darya Kolesnikova, and Vladimir Zhuravlev (SABIT Medical Standards 1998).**

**Grantee Profile**

## Albany-Tula Alliance Facilitates Journalistic Exchange

**Jonathan van Loo**

As part of an ongoing partnership between SABIT and the Albany-Tula Alliance, SABIT provided funding for a journalist from Tula, Jenia Fedorova, to spend three months working as an intern at Albany's *Times Union* newspaper. From December 2004 to February 2005, Jenia spent her time in the United States learning about American journalism and making contributions to the front pages of Albany's largest daily newspaper.

The Albany-Tula Alliance was founded in 1991 by a group of citizens from the Capital Region of New York as a sister-city organization and has since grown into an organization supporting numerous cultural, humanitarian, educational, and economic activities in the Capital Region and in the Tula

Region of Russia. More than 200 Albany families have participated in the Alliance throughout the Capital Region.

Charlotte Buchanan, the Founding Chair of the Alliance, has been an active force behind the Albany-Tula relationship from the very beginning, when she was one of the members of a committee formed by the mayor of Albany in the summer of 1991 to identify a sister city in Russia. The Albany-Tula Alliance and its partnership with SABIT is a powerful example of the impact that voluntary civic organizations, in partnership with government, can have on promoting cultural and economic ties between the U.S. and Russia. Since Albany-Tula's first intern in 1994, SABIT has provided funding for at least twenty-four interns sponsored by the Albany-Tula Alliance. Interns have worked in a wide variety of fields, including finance and bank-

*[Continued on page 2]*

## 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.

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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 \$300 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 supports Albany-Tula Alliance

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ing, international trade, consulting, construction, health, city management, and higher education. For more information, visit the Albany-Tula Alliance website: [www.albanytula.org](http://www.albanytula.org).

When the editor of the main weekly newspaper in Jenia Fedorova's hometown of Tula first suggested that Jenia travel to the United States to learn about American journalism, Jenia was taken by surprise but was eager to utilize her knowledge of English and her journalistic experience. With the aid of SABIT funding, Jenia was able to work for three months as an intern at the *Times Union*. Not only did Jenia learn more about American journalism, she was also able to use her Russian to write and contribute to several articles for the *Times Union*.

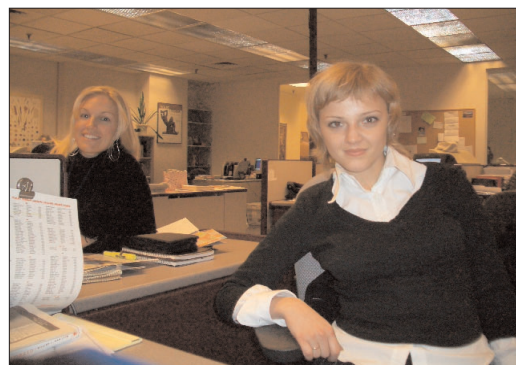
Jenia quickly formed a mentoring relationship with *Times Union* reporter Kate Gurnett, who provided guidance and leadership to Jenia. In their first collaboration, Jenia provided invaluable assistance on an article describing Albany's worst maritime accident in decades that involved a cargo ship with a Russian crew. Jenia interviewed the families of the three victims of the accident as well as the surviving crew. Despite the tragic circumstances, the article provided a glimpse into the international world of maritime shipping and described the lives and families of the victims of the accident.

Jenia's articles spanned range of topics, from the difficulties of adjusting to life in America faced by a Russian hockey player for the New Jersey Devils, to the latest fashions on display at Governor George

Pataki's State of the State address at the Capitol. Jenia also wrote an editorial on the protests in Ukraine following the contested first-round presidential election. Jenia put the situation into a historical context, describing the long-standing division of Ukraine between East and West and suggesting that a federal structure might be the most appropriate choice for Ukraine to strike a compromise between the two regions.

During her time at the *Times Union*, Jenia not only covered stories, but also was exposed to the business side of newspaper operations. Jenia left her internship at the *Times Union* eager to apply what she had learned to her work as a journalist in her hometown of Tula.

To read Jenia's articles, go to the newspaper's website: [www.timesunion.com](http://www.timesunion.com) or visit the links on the Albany-Tula Alliance website.



Jenia Fedorova, right, with mentor Kate Gurnett at the *Times Union* offices in Albany, NY.

### Eurasia Events

## Renewable Energy Technology Conference

#### Patrick Brennan

The Sustainable Profitability Group, in coordination with the Civilian Research and Defense Foundation, NATO and the Colorado Governor's Office of Energy Management and Conservation, organized a workshop and seminar for 17 scientists from Armenia, Moldova, Russia, Ukraine and Uzbekistan. The event, held in Denver, CO from March 29 - April 1, provided the Eurasian researchers an opportunity to present the commercial case for wind, solar, biomass and other renewable energy technologies. Several U.S. government and industry representatives gathered to hear the presentations, and to discuss possibilities and resources for commercialization of these technologies. Travel grants provided by CRDF enabled these scientists to learn valuable concepts of technology management. Click on the following link for more information on this event: <http://www.crdf.org/Events/colorado/spgconference.html>

## American Franchising in Russia

#### Jonathan Van Loo

On March 1, Moscow SABIT coordinator Darya Kolesnikova gave a presentation at a seminar on American Franchising in Russia. The seminar, organized by the U.S. Commercial Service, took place at the U.S. embassy in Moscow and enjoyed a high turnout. The day-long seminar included presentations by a variety of business managers, including U.S. representatives of Papa John's, Subway, and TGIF, along with government officials, including Senior Commercial Officer, Dorothy Lutter, BISNIS Representative, Alla Mavrina, and OPIC representative, Michele Smith. Darya's presentation provided an overview of the SABIT program and announced SABIT's plan to have a new group program on franchising in 2006.

# Where the Rubber Meets the Road

Tanner Johnson

The SABIT Road Construction program arrived in Washington DC on February 26, 2005. The delegation, which included 18 representatives from Ukraine, Georgia, Armenia, Moldova, and Belarus, visited four metropolitan areas in the course of their four-week training program.

In Washington, DC, the delegation met with Federal Highway Administration officials, the Virginia Department of Transportation, and AASHTO. The following week in Boston, MA, the delegation's focus was the "Big Dig" project, along with cold temperature paving, aggregates, and quarrying.

The delegation also attended the CONEXPO - CON/AGG conference in Las Vegas, NV. In addition to attending technical seminars, group representatives had the opportunity to meet with major equipment producers like Caterpillar, and establish contacts with numerous small and medium sized enterprises offering a wide variety of products and equipment. The group also had the chance to meet with Assistant Secretary of Commerce William Lash III, who welcomed the delegation to Las Vegas and the conference.



**Delegates gather with Assistant Secretary Lash at the CONEXPO - CON/AGG conference in Las Vegas, NV**

To finish their training, the group traveled to Phoenix, Arizona, where the Arizona Department of Transportation (AZDOT) hosted a program of site visits to local construction projects, asphalt producers, and the AZDOT's Traffic Operations Center.

This delegation represented the second road construction program that SABIT has organized in the last thirteen months. Thirty-five road specialists have been trained by these two programs.

## Western Eurasian Healthcare Administration

Frank Borghese

In late January of 2005 the SABIT program began four weeks of technical assistance training for 18 healthcare administrators from two Western Eurasian countries (Ukraine and Moldova) and three countries from the Caucasus (Armenia, Georgia and Azerbaijan). The administrators were also practicing physicians, whose backgrounds ranged from pediatrics to specialized surgery. Addressing the needs of the delegation, the program focused on hospital administration and management, health insurance and medical technology.



**The Healthcare Administration group following meetings with medical device manufacturers, facilitated by the U.S. Export Assistance Center in Milwaukee, Wisconsin.**

The first part of the program took place in Washington, DC where the delegation received an overview of the U.S. healthcare system. Several government agencies, including the National Institutes of Health and the Center for Medicaid and Medicare Services, took part in presentations. AIHA and Project HOPE, international healthcare development organizations, engaged the delegation in discussions of their projects and activities in Eurasia.

The delegation then spent a week in the Raleigh-Durham-Chapel Hill Research Triangle area of North Carolina. The University of North Carolina - Chapel Hill School of Public Health, Blue Cross/Blue Shield of North Carolina, and the North Carolina Department of Insurance all provided informative presentations and discussion forums on various healthcare topics.

The final destination for training was Milwaukee, Wisconsin. The delegation visited General Electric's medical technologies headquarters, and met with Wisconsin medical device manufacturers. The delegates themselves considered the program a great success, and looked forward to implementing many of the techniques and ideas they learned during the training. The group also extended invitations to American medical device manufacturers to attend regional medical conferences.

In the second 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.

### Offshore Oil & Gas Exploration and Production (NIS)

April 17 - May 15

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

Contact: Benjamin Chapman

(202) 482-6492

[benjamin\\_chapman@ita.doc.gov](mailto:benjamin_chapman@ita.doc.gov)

### Insurance (Central Asia)

April 23 - May 21

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

Contact: Patrick Brennan

(202) 482-2077

[patrick\\_brennan@ita.doc.gov](mailto:patrick_brennan@ita.doc.gov)

### Residential and Commercial Construction (Central Asia)

May 21 - June 18

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

Contact: Erin Schumacher

(202) 482-3644

[erin\\_schumacher@ita.doc.gov](mailto:erin_schumacher@ita.doc.gov)

### Timber and Wood Processing (Russia)

June 4 - July 2

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

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(202) 482-6435

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# BISNIS Outreach in Central Asia

Philip de Leon

**O**n February 7, 2005, in collaboration with the Commercial Service Almaty and the American Chamber of Commerce in Kazakhstan, BISNIS organized an event in Almaty, Kazakhstan on doing business in Central Asia. The event, aimed at U.S. companies and distributors of U.S. goods, provided an integrated approach on how to best use U.S. Government programs such as BISNIS, the U.S. Foreign Commercial Service (FCS), SABIT, Good Governance program, State Department, the Overseas Private Investment Corporation (OPIC), and the U.S. Trade Development Agency (USTDA). Discussions also touched on the resources available through multilateral institutions, such as

the European Bank for Reconstruction & Development (EBRD) and the Asian Development Bank (ADB). The event hosted over 120 attendees, and was complimented by more than 100 one-on-one meetings between the attendees and the speakers, giving attendees an opportunity to discuss their projects and how best to use existing U.S.-sponsored programs with relevant government officials.

Two days later, on February 9, 2005, BISNIS organized, in collaboration with the U.S. embassy in Tajikistan, the first ever trade investment conference in Tajikistan. Numerous speakers, including U.S. Ambassador to Tajikistan, Richard E. Hoagland, the Deputy Minister of Trade of Tajikistan, Mr. Maruf Najmieovich Saifiev, along with representatives of BISNIS, FCS, SABIT, Good Governance Program, State Department, OPIC, TDA and EBRD, all presented practical information to an audience of over 150 attendees. Several U.S. companies flew in from overseas to attend the event, and were hosted by the Prime Minister of Tajikistan in the evening.

The two events demonstrated the continued interest of U.S. companies in exploring Central Asian markets, and the increasing significance placed on neighboring countries such as Tajikistan and Kyrgyzstan.

The participants and organizers took away many valuable lessons from these events. U.S. companies and Central Asian companies are very interested in working together. However, despite the



**Bolton Walters from the State Department and Jamshed Rahmonberdiev meet individually with a Tajik client (L to R).**



**BISNIS Deputy Director, Philip de Leon (right) and Jamshed Rahmonberdiev, BISNIS Representative in Tajikistan (left) direct the proceedings in Dushanbe.**

large amount of information available, they remain poorly informed of many of the resources they can use, with the striking exception of SABIT, of which many of the attendees were knowledgeable.

A large obstacle to having more U.S. companies visit Central Asia is not so much the cost, the distance, or the business environment, but more so the logistical challenge associated with traveling to Central Asia: the letter of invitation requirement. The invitation can be a difficult piece of paper to obtain, and without it no visa will be granted. Similarly, the unpredictable timetable for domestic airlines makes it challenging to travel outside the capital cities if one intends to catch a connecting flight.

Local companies have a genuine interest in working with U.S. companies and in distributing U.S. goods and services, but negotiations often break down at one stage or another (and not due to lack of mutual interest). Thus, it is critical for both sides to be aware of existing programs that can help to facilitate communication.



**Banat Ashkenova, SABIT Coordinator for Central Asia, and Mitchel Auerbach, Senior Commercial Officer in Almaty, describe U.S. Department of Commerce Programs in Central Asia.**

Smaller and poorer countries such as Tajikistan and Kyrgyzstan can still be a great venue to do business. Multilateral institutions can provide funding for specific projects, and participating in the tender mechanism is a good way of establishing a foothold in these markets. The high visibility of Kazakhstan should not prevent U.S. companies from examining other Central Asian countries, each of which has a lot to offer. Additionally, the depreciation of the U.S. dollar has made U.S. goods and services more competitive. Overall, these events highlighted many interesting opportunities for public-private partnerships in Central Asia.



**Following the presentations, local participants had many questions about U.S. - sponsored programs, which led to an informative discussion on U.S. investment in Central Asia.**

**More information on BISNIS and these events...**  
**Click here to find detailed information on the BISNIS Outreach to Central Asia, including presentation slides and program-specific information.**

## SABIT Alumni Gather in Nizhny Novgorod

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Russian Academy of the Economy. Thus, he was able to draw on both his practical experience and scientific training. Dr. Zinov will soon become a SABIT alumnus himself, upon completion of his internship at the Texas Transportation Institute at Texas A&M University that begins in April.

Continuing on the subject of investment and finance, Ms. Michele Smith gave a presentation about the services offered by the Overseas Private Investment Corporation (OPIC). Michele recently arrived in Russia to assume the responsibilities of OPIC's Investment Service Manager for Russia and the CIS. Both the organizers and the attendees were grateful that she was able to take part in the program, which also gave her the opportunity to meet local and regional officials and businesses.

Dr. Andrey Yershov took the floor after the coffee break, and discussed strategies for running small businesses. Dr. Yershov is the Director of the Center of Innovative Technology at the State University of Nizhny Novgorod.

In addition to inviting outside speakers, SABIT's Moscow office had also arranged for presentations by four SABIT alumni, who volunteered to discuss their SABIT training and how this experience influenced their present and future plans. Vadim Nosov was a participant in the SABIT Franchising Program in April and May 2004. As the director of the "Association of Stores" in Nizhny Novgorod, Vadim discussed the U.S.



contribution to the development of retail and wholesale trade in Russia.

In his presentation, Aleksey Trofimov discussed the importance of corporate standards for business development. Aleksey gained valuable experience in corporate standards during his internship in the SABIT Automotive Standards Program in September 2003. He now works for a large company manufacturing blocks and bricks and recently won a major contract to supply construction materials for Triumph-Palace, one of the newest skyscrapers in Moscow.

Mr. Oleg Ukhatov participated in a SABIT program on merchandising and marketing in the automobile industry in May and June 1999. He described a turning point in his career, which took place during his SABIT internship. A visit to a Detroit company caused him to change his approach to strategic planning and business development. Mr. Ukhatov is now developing his second car dealership in Nizhny Novgorod.



Finally, Dr. Sergey Krivatkin, a participant in the "Hospital Administration" program in August and September 2003, proposed the creation of a local association of alumni of U.S. exchange programs to be based at the American Center in Nizhny Novgorod.

At this point it was clear that the event had been a success and many other SABIT and Open World alumni described their internship experiences in the discussion that followed. Several outside guests then attended the reception following the event, including representatives of the regional administration, city government, and local business: Mr. Denis Labuza, Deputy Minister of Economics & Enterprise of the Nizhny Novgorod Regional Administration, Mr. Vladimir Solovyev, Director of the Department of Industries and Foreign Economic Relations of Nizhny Novgorod City Government, and Mr. Paul Pasco, Director of the Sibirski Bereg group of companies.

Following the alumni meeting, nine SABIT alumni took part in a two-day training program on January 28 and 29 organized by the Open World program. The training program topics included "Effective Instruments of Corporate Development: The Strategic Management of Organizational Change", and "The Balanced Scorecard System: a New Management Culture".

SABIT also cooperated with the Open World program to prepare for the arrival of American Ambassador Vershbow in Nizhny Novgorod on February 7 in celebration of "American Week". On February 9, several SABIT alumni took part in a roundtable in Nizhny Novgorod organized by Dorothy Lutter, Senior Commercial Officer at the U.S. Embassy.

