



USTDA Update

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U.S.-India Aviation Cooperation Program Launched

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To promote greater collaboration between the U.S. and Indian aviation sectors, USTDA has signed a Memorandum of Understanding (MOU) with the Indian Ministry of Civil Aviation (MOCA) to establish the U.S.-India Aviation Cooperation Program (ACP).

The ACP, a public-private partnership among USTDA, the Federal Aviation Administration (FAA) and U.S. aviation companies, will serve as a forum for unified communication between the Government of India and U.S. public and private sector entities active in India. The ACP is designed to work directly with the Indian Government to identify and support India's civil aviation sector modernization priorities.

The MOU followed a successful U.S.-India Aviation Summit, which USTDA sponsored in partnership with MOCA and the FAA to encourage a high-level dialogue on the development of India's aviation sector. In recognition of the potential for further cooperation, the MOU was formally signed in Washington, D.C., in June by USTDA Acting Director Leocadia I. Zak, U.S. Secretary of Transportation Mary E. Peters and Indian Minister of Civil Aviation Praful Patel.

"USTDA is focusing significant attention on India's aviation sector because we are interested in exploring ways to help our aviation systems grow together in mutually beneficial ways," said Acting Director Zak. "Working in partnership with each other, we can achieve results that will shape the future and strengthen our respective systems."

The extraordinary growth of India's economy has placed increased demands on the nation's aviation infrastructure to accommodate rising passenger and cargo volumes. The ACP will respond to these challenges by: (i) promoting enhanced safety, operational efficiency and system capacity; (ii) facilitating and coordinating aviation industry training and technical ties between the U.S. and India; and (iii) strengthening overall U.S.-India aviation cooperation. USTDA is funding training and technical assistance programs with matching funds from the U.S. aviation industry and in-kind support from the FAA.

The U.S.-India ACP is an example of the effective public-private partnerships that USTDA fosters in carrying out its unique brand of foreign assistance. As the cooperation between the United States and India increases through the ACP, it will help establish the necessary aviation infrastructure to support a broader overall commercial relationship between the countries.



USTDA Acting Director Leocadia I. Zak participated in a Lighting of the Lamp ceremony with former FAA Administrator Marion C. Blakey (center) and Indian Minister of Civil Aviation Praful Patel (right) at the start of the U.S.-India Aviation Summit.

USTDA in the Field

USTDA maintains an office in Johannesburg, South Africa, that strengthens the agency's effectiveness in carrying out its mission throughout sub-Saharan Africa. The office is led by Doug Shuster, USTDA's Africa Business Development Manager. The following is an interview with Doug about the role of his office in the region.



Doug Shuster

UPDATE: Can you give us a brief overview of your region?

DOUG: Sub-Saharan Africa is a vast region, with over 40 countries that comprise very diverse markets. A number of countries are

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LEOCADIA I. ZAK

Acting Director's Message

On October 1st, USTDA implemented a regional realignment designed to strengthen our overall program. The changes involve the realignment of South Asia (India sub-region) with Southeast Asia and the creation of a new East Asia region comprised of China and Mongolia. These changes will allow us to better focus our program on two important countries in the agency's portfolio, India and China.

As we strengthen the agency's program in Asia, we are also creating a more focused Middle East and North Africa (MENA) region. The MENA region has long held an important place in our program and this change will allow for greater resources to be placed in this important part of the world.

Another change at USTDA is the departure of Thelma Askey after serving as USTDA Director for the past six years. At the end of April, she retired from federal service and accepted a position as the Deputy Secretary-General at the Organization for Economic Cooperation and Development (OECD) in Paris, France. All of us at USTDA join in wishing her well.

Looking ahead, our talented and dedicated staff will continue to apply the agency's unique brand of public-private partnerships and capacity-building initiatives that have been the cornerstone of our results-oriented response to development challenges. In this issue, we feature some of our successes to illustrate the impact of the agency both here in the United States and abroad.

As we build on our record of success, the priorities of the overseas project sponsors and the strength of our own industry will guide us. Specifically, we will continue to look to the ingenuity and expertise of the U.S. private sector to offer commercially based solutions for development. Each of you can make an important contribution to that process. We encourage you to share your priorities with us.

About USTDA

The U.S. Trade and Development Agency (USTDA) advances economic development and U.S. commercial interests in developing and middle income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment.

USTDA's strategic use of foreign assistance funds to support sound economic policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. Operating at the nexus of foreign policy and commerce, USTDA is uniquely positioned to work with U.S. firms and host countries in achieving the agency's trade and development goals. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

Upcoming Events Lineup

Europe Regional Emergency Management and Response Conference

USTDA is sponsoring a conference focusing on integrated emergency management and response systems (IEMS) and the necessity of integrating emergency preparedness with response efforts. The conference will present a minimum of 15 IEMS-related or meteorological/hydrological monitoring projects with upcoming procurement opportunities.

DATES: October 29–31, 2007
LOCATION: Budapest, Hungary
CONTACTS: Maya Autret (m-autret@bcu.org)
Tosha Wilkes (t-wilkes@bcu.org)
PHONE: (212) 997-1920 or (212) 490-0460
WEBSITE: www.bcu.org

Middle East and North Africa E-Government Orientation Visit

USTDA is sponsoring an orientation visit for senior officials from Egypt, Lebanon, Jordan and Morocco to visit the United States to learn about U.S. e-government policies, services and security techniques. The orientation visit will focus on introducing the delegates to U.S. federal and state standard-setting agencies and departments, and to commercial providers of e-government technology, services and training. A U.S. business briefing will be held on October 29th in San Francisco.

DATES: October 20-31, 2007
LOCATIONS: Washington, DC; Austin, TX; San Francisco, CA
CONTACTS: Michael Koeppen (mak@kealtd.com)
David Elliott (elliottdavid@msn.com)
PHONE: (202) 429-5245
WEBSITE: www.kealtd.com

China Water Monitoring Information Technology Orientation Visit

A USTDA orientation visit for a Chinese delegation, led by the Ministry of Water Resources, will include site visits to U.S. corporate vendors and U.S. Government agencies that either supply or utilize equipment and services related to flood control, drought relief and water monitoring/management technology. The purpose of the OV is to introduce the delegates to U.S. technology options associated with the upcoming procurement opportunities related to China's National Flood Control Decision Support System.

DATES: December 1–14, 2007
LOCATIONS: San Francisco and Sacramento, CA; Washington, DC
CONTACT: Olympia Brescia (obrescia@gmc-ideas.com)
PHONE: (781) 641-2900

ASEAN E-Government and ICT Projects Orientation Visit

USTDA is sponsoring an orientation visit for senior government and industry representatives from selected countries within the Association of Southeast Asian Nations (ASEAN) to learn about U.S. capabilities, experiences and practices in the implementation of e-government and information and communications technology projects. Potential procurements by ASEAN countries in this area total over \$1.5 billion.

DATES: December 2–15, 2007
LOCATIONS: California Bay Area; Washington, DC
CONTACT: Tosha Wilkes (t-wilkes@bcu.org)
PHONE: (212) 490-0460
WEBSITE: www.bcu.org

Regional Summaries

MIDDLE EAST AND NORTH AFRICA

Promoting Supply Chain Efficiency in Jordan

A 20 percent reduction in the cost of trucking goods from the Port of Aqaba to Amman, Jordan, is helping to support expanded trade relations under the U.S.-Jordan Free Trade Agreement. The cost reduction is an early result of an emerging success story stemming from USTDA-funded investment analysis and a pilot program on a national freight information and transportation hub project (NAFITH).

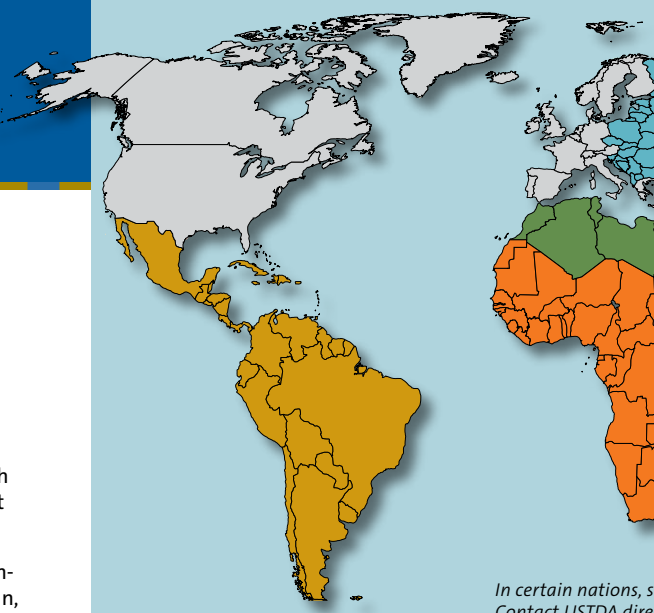
The Jordanian Ministry of Transport requested USTDA assistance to study a web-based platform



for coordinating and tracking cargo across supply chains. Specifically, in Aqaba, the Ministry was interested in a freight information and transportation hub as a means of alleviating severe traffic congestion and air pollution around Jordan's only seaport, which was impacting the area's viability as a tourist destination.

Based on the success of the pilot program conducted by FreightDesk Technologies of McLean, VA, the Ministry has continued to utilize the system at the Aqaba Special Economic Zone (ASEZ). As a result, FreightDesk Technologies received a follow-on contract to provide the systems to coordinate truck traffic in and around Aqaba.

The new system has been well received and has succeeded in reducing costs and traffic congestion in the area. Its impact may be broadened by implementing a full NAFITH project at Jordan's ten land border crossings, thereby significantly increasing Jordan's competitiveness in the region.



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Contact USTDA dire

SUB-SAHARAN AFRICA:

Powering Africa's Development With Renewable Energy

A geothermal power plant in Aluto Langanu, Ethiopia, is serving as a model for the sector's development by increasing access to electricity. Already, the Aluto Langanu plant is producing 3 megawatts (MW) of electricity as a result of a USTDA-funded technical assistance program for the Ethiopian Electric Power Company (EEPSCO).

The USTDA-funded consultant, Stephen Hirsch, worked with EEPSCO in revising its tendering process and on bid and contract evaluation. Following a thorough technical review of the bids, EEPSCO chose Geothermal Development Associates (GDA) of Reno, NV, to carry out the improvements under a \$3.2 million contract. When the rehabilitation is complete in early 2008, the plant will produce approximately 7MW of electricity. Moreover, it will make an important contribution toward the goal of increasing the percentage of the population with access to electricity from 16 to 50 percent by 2009.

Geothermal energy is environmentally clean as all effluent from the plant is reinjected back into the ground where it is reheated and replenishes the geothermal resource in a closed loop. The rehabilitation of the Aluto Langanu plant is integral to the energy security of the region by helping Ethiopia to diversify away from its reliance on hydropower, which is unreliable as an energy source during



The Aluto Langanu power plant is helping to increase electricity access and diversify power generation in Ethiopia. It is a model for the development of the country's significant geothermal resources.

droughts. Based on the success of this project, USTDA looks forward to providing further support to the development of the region's geothermal energy resources.

The Aluto Langanu plant reflects USTDA's commitment to the establishment of the electric power infrastructure necessary to meet growing demand. In Africa alone, USTDA has provided more than \$8.3 million for 28 activities associated with priority electric power projects in the past five years.

LATIN AMERICA AND THE CARIBBEAN:

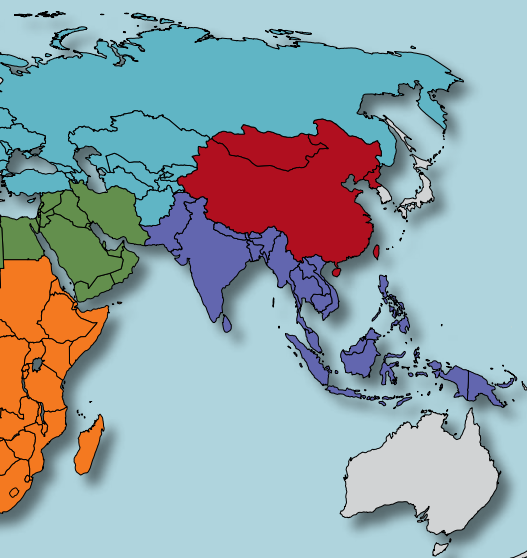
Bolivian Mine to Begin Production Following USTDA Assistance

The San Bartolomé silver mine in Bolivia is expected to begin production in early 2008 following construction based on the results of a USTDA-funded study. At the time the USTDA grant for the study was awarded, Empresa Minera Manquiri (EMM), S.A., a Bolivian mining company owned by Coeur d'Alene Mines Corporation, had limited resources to finance the analysis needed to develop the silver mine. However, due to the potential positive impact on the region from the implementation of the project and the opportunity for U.S. commercial involvement, USTDA awarded a grant to EMM in 2001 and Coeur d'Alene agreed to share the cost of the analysis.

Based on the positive results of the study and political risk insurance from the Overseas Private Investment Corporation, Coeur d'Alene has invested in the mining operations at Cerro Rico. The company has also repaid the USTDA grant under the success fee agreement it signed at the time the grant was awarded.

Already, U.S. exports associated with the project total \$34 million. A number of U.S. firms have benefited from the project's implementation, including Fluor, Rockwell, Mixtec Inc., Ingersoll Rand, Smith-Williams, Golder Associates, Analytical Laboratory Consultants, Geokon Inc., Dorr Oliver Eimco, Summit Valley and Tyco Flow Control.

It is expected that the mine, which will support up to 850 direct and indirect jobs, will have a broad developmental impact in terms of road construction and the use of advanced technologies to protect the environment and clean-up past contaminants. Coeur d'Alene has also established a development fund that will invest in economic and social projects, such as the expansion of the tourism sector and the development of a local silversmith artisan industry.



statutory and policy constraints limit USTDA programs. tly to determine the availability of assistance.

SOUTH AND SOUTHEAST ASIA

Establishing Connections for Development

An undersea fiber optic cable, which became operational in 2006 based on the outcomes of a USTDA-funded study, has provided Pakistan with an entirely new technical capability of inter-connecting with the rest of the world. As a private sector-led project, the undersea fiber optic cable strengthened competition in Pakistan's telecommunications market and increased overall access to communication services, lowered costs for customers, and improved security by providing an alternate communications route.

In 2003, a USTDA grant to Transworld Associates Ltd. (TWA) led to the country's first major private sector venture in basic telecommunications infrastructure following sector liberalization earlier that year. The project involved the laying of a 1,230 kilometer undersea fiber optic cable system between Karachi, Pakistan, and Fujairah, United Arab Emirates, to connect Pakistan to the FLAG Europe Asia cable system and beyond. The cable presented an opportunity for TWA to connect Pakistan to the major international telecommunications hubs and offer quality, end-to-end international bandwidth solutions to its customers.



A consultant evaluates the fiber optic cabling to be connected to the landing station at Hawks Bay, Karachi.

Recognizing the potential for the project to serve as a foundation for Pakistan's development, the USTDA-funded study advised TWA on the routing of the cable, as well as its economic and financial viability. The results were positive and led to a number of other detailed technical, economic and financial studies.

To implement the project, TWA awarded a multimillion dollar contract to Tyco Telecommunications Inc. of Morristown, NJ, a leading undersea fiber system construction company, to manage and implement the project. In addition to Tyco, Corning of Corning, NY; Lucent Technologies of Murray Hill, NJ; C&C Technologies of Lafayette, LA; Sonsub Inc. and Smith-Oceanering Intl., both of Houston, TX; and ADEX Corporation of Alpharette, GA, all benefited from the contract as sub-suppliers to Tyco.

EUROPE AND EURASIA:

Institutional Capacity Building in Azerbaijan

USTDA congratulates the State Oil Fund of Azerbaijan (SOFAZ), the 2007 recipient of the United Nations (UN) Public Service Award for improving transparency, accountability and responsiveness in public service. The award was bestowed on SOFAZ



SOFAZ Executive Director Shahmar Movsumov receives the UN Public Service Award from UN Deputy Secretary-General Asha Rose Migiro.

as a result of the steps it took to implement the recommendations of a USTDA-funded technical assistance program designed to develop its human resources and institutional capacity to manage Azerbaijan's oil revenues.

Since its creation in 1999, SOFAZ has accumulated well over \$2 billion in assets. Now that the Baku-Tbilisi-Ceyhan oil pipeline and the South Caucasus gas pipeline are operational, its assets are expected to increase substantially in coming years.

In 2004, USTDA awarded a grant to SOFAZ for technical assistance on the establishment of the proper foundations for an investment strategy and operational structure. The recommendations provided led to the selection of the Bank of New York as the Global Custodian for SOFAZ. In addition, Thomson Financial was selected by SOFAZ as the vendor for its portfolio management and ledger accounting systems. Based on these decisions, SOFAZ became the first governmental agency in the region to win the prestigious UN award.

Building on the success of the 2004 grant, USTDA awarded an additional grant to SOFAZ earlier this year. The new assistance will focus on migrating existing portfolios to the new investment systems and strengthening investment oversight.

EAST ASIA

Partners in Aviation Development

Since USTDA established the U.S.-China Aviation Cooperation Program (ACP) in 2004, the ACP has succeeded in facilitating an estimated \$700 million in U.S. exports. By promoting bilateral technical cooperation and increasing awareness of U.S. technology in the aviation sector, the program has led to the sale of avionics equipment for regional aircraft by Parker Aerospace and General Electric, an avionics system test rig by Rockwell Collins, and two helicopters by United Technology Corporation.

Recognizing the challenges to safety and security posed by rapid growth in the aviation sector in China, the ACP is a multi-faceted program that promotes technical, policy and commercial cooperation between the U.S. and Chinese aviation sectors. The ACP, a public-private partnership linking USTDA, the U.S. Federal Aviation Administration, the General Administration of Civil Aviation of China (CAAC), and U.S. industry, is an outstanding example of the way the agency brings together the right technical expertise to meet development challenges. Specifically, ACP membership includes 25 corporate members, including leading U.S. aviation manufacturers and service providers.



This summer, 35 officials from the CAAC participated in a 4-month Executive Management Development Training (EMDT) program that was conducted under the auspices of the ACP. Here Ron Stevens, an engineer from The MITRE Corporation, demonstrates a model for Chinese officials in the EMDT program.

Based on the success of two initial phases of the ACP program, USTDA committed \$1.69 million to fund Phase III of the ACP in July. Important to any partnership is the commitment of all parties and it is particularly noteworthy that USTDA funds for Phase III are matched by approximately \$2.3 million in related contributions by ACP member companies and organizations. Planned activities for Phase III involve technical and managerial training, technical assistance on aircraft airworthiness, and developing strategic plans for China's regional and general aviation market and air traffic flow management systems.

USTDA in the Field

(continued from page 1)

undertaking market-oriented reforms that have led to renewed interest in them by the business community. This has brought increased foreign direct investment and economic growth to the region. This interest, combined with the end of a number of civil conflicts in places like Mozambique, Angola, and the Democratic Republic of Congo, means that this is a time of unprecedented opportunity.

UPDATE: What does your position entail?

DOUG: My primary goal is to identify projects that merit USTDA funding and to craft technical assistance packages to help move those projects toward implementation. I work closely with U.S. companies active in the region, as well as regional private and public sector institutions, to identify appropriate projects. I also work closely with the bilateral, international and private financial institutions that are potential financiers for USTDA projects to ensure that we are working collaboratively and developing a pipeline of projects that will attract financing.

UPDATE: How does your presence overseas help USTDA fulfill its mission?

DOUG: Being based in Johannesburg means that I have been able to travel to over 20 countries since I arrived here two years ago. This on-the-ground presence is invaluable in developing relationships and allowing USTDA to respond quickly to the needs of our partners in the region.

UPDATE: What are the development priorities in sub-Saharan Africa?

DOUG: There is a tremendous need for infrastructure, and given the large number of countries in the region, there is a great need for cooperation in the development of regional infrastructure projects. The development of such projects is a main goal of the New Partnership for Africa's Development (NEPAD). USTDA supports the NEPAD vision with early investment analysis, technical assistance, and training grants associated with specific projects.

Another priority is the development of the human capacity in the region for project implementation. There is a very thin layer of experienced staff within many of the institutions responsible for project development, so we try to incorporate as much training as possible into any technical assistance activities that we fund.

UPDATE: What impact do you see of USTDA's program on your region?

DOUG: I am always impressed with the size of USTDA's footprint. For example, in the electric power sector, you will find that USTDA is involved in a large percentage of the major projects in the region. As a result, several of the major power projects that will come on-line in the near future have utilized USTDA-sponsored project planning technical assistance.

UPDATE: Are there any common themes to the success of U.S. firms in your region? What do you think makes a U.S. company successful?

DOUG: The most successful U.S. companies are those that can bring depth and breadth of expertise and experience to a project. In some cases, a project will have requirements that are not common in other parts of the world. For example, a project developer may need to help secure financing for the construction of off-site infrastructure or a project may require a comprehensive training program for basic skills that are not available locally. Overall, persistence, reliability, and an on-the-ground presence in the region are critical to success.

UPDATE: What sectors present the best prospects for U.S. businesses?

DOUG: The best prospects where U.S. companies are very competitive are information and communications technology (ICT) infrastructure, energy and natural resource development, electric power and transportation infrastructure.



USTDA's Johannesburg office provides U.S. businesses and African project sponsors with a point of contact regarding USTDA's program in the region. The office is led by Doug Shuster, who is seen here meeting with a participant in the U.S.-South Africa Power Industry Supplier Conference that USTDA sponsored in Johannesburg last year.

To foster U.S. involvement in ICT projects in the region, USTDA organized a very successful Sub-Saharan Africa Information and Communications Technology Conference that took place in March. The importance of this sector to U.S. industry was demonstrated by the participation of over 100 U.S. company representatives. This is arguably the most dynamic sector in Africa, with double digit growth rates in teledensity, a number of major ICT backbone infrastructure projects being rolled out, and very good prospects for a long awaited undersea fiber optic cable offering international connectivity to the east coast of the continent.

UPDATE: Has USTDA been involved in any follow-up activities in the ICT sector in Africa since the conference?

DOUG: Yes, USTDA remains quite committed to the sector's development in Africa. This year, we have funded investment analysis of ICT backbone projects in Burkina Faso and Rwanda. In addition, we have supported technical assistance on a community telephone project in Nigeria. This assistance will also be applied to the development of community telephone projects in three other African countries. We have also funded training for about 20 African policymakers and regulators at the U.S. Telecommunications Training Institute. The training will focus on ICT effective management and regulatory framework and privatization issues.

UPDATE: What advice do you have for U.S. companies interested in commercial opportunities associated with overseas development projects?

DOUG: U.S. companies need to look beyond the negative impressions that persist. Travel to countries in the region will reveal that there are real opportunities present. Although Africa is a challenging business environment, it can also be an exciting and pleasant place to do business.

UPDATE: Thank you for your time.

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USTDA Grant Launches Study of Trans-Caspian Oil and Gas Pipelines

Continuing the U.S. Government's commitment to improve world energy security and assist in the development of new energy transportation corridors, USTDA awarded a \$1.7 million grant in August to the State Oil Company of the Azerbaijan Republic (SOCAR).

The grant, which will be used to conduct early investment analysis on proposed Trans-Caspian oil and gas pipelines, is a concrete example of ongoing U.S. – Azerbaijan cooperation in the energy sector and USTDA's commitment to strengthening the region as a whole.

Existing oil and gas export pipelines in the region do not have enough capacity to handle the projected flows, which are estimated to increase in volume by over 100 percent by 2015. Therefore, implementation of new oil and gas pipelines to transport

Kazakhstan's reserves through Azerbaijan to market will assist in meeting market demand, while also strengthening the energy security of the region.

The study funded by the USTDA grant will include technical and economic analysis of the proposed pipelines. It will also include a determination of exportable quantities and net-back revenue estimates for natural gas producers, the preparation of preliminary designs, and an estimate of capital and operating costs.



When constructed, the pipelines will make an important contribution to global energy security. By providing alternate export routes for oil and gas from Kazakhstan through Azerbaijan to markets in Turkey, Europe and the world, the pipelines will help to stimulate growth throughout the Caspian region.