

## **NEWS FLASH - BANKS ARE LENDING TO SMALL BUSINESSES:**

### **HELICOPTER TECH, INC., FORECASTS NEXT-LEVEL GROWTH AS A PRIME VENDOR**

King of Prussia, PA--In today's fiercely competitive business climate, finding innovative ways to grow a business is often the challenge that means the difference between success and failure. Local businesswoman Rachel Carson met that challenge head-on with the help of the SBA when her aircraft part supply company, Helicopter Tech, Inc., was selected to compete for work as a "prime vendor" under a multi-million dollar contract with the U.S. Air Force and Defense Logistics Agency earlier this year.

Under that contract—known as the Landing Gear Prime Vendor Contract, or LGPVC—Helicopter Tech will compete with three other prime vendors to supply the U.S. Air Force and Defense Logistics Agency with landing gear parts for various types of aircraft. The LGPVC is expected to yield up to \$1.5 billion in work over 10 years, with a guaranteed minimum order of \$2 million in parts from each of the four prime vendors under the contract.

When Helicopter Tech founder, President and CEO Rachel Carson, first learned in 2006 that bidding would be open on the LGPVC, she had already built the company into a successful small business with 15-20 employees and consultants. That business experience taught Carson two valuable lessons. First, Carson had honed her ability to recognize and penetrate profitable market niches that allow her to parlay her love of aviation into increasingly greater levels of business success. Second, and perhaps most fundamentally, Carson knew that utilizing organizations like the SBA as a resource for financing, business counseling and education is imperative to the success of a small business in a highly competitive industry.

Carson's innate market savvy was evident from Helicopter Tech's inception and carried the company through its initial growth phase on a wave of success. It was Carson's lifelong love of aviation, a family legacy, as her father and uncle before her founded successful aerospace companies, that lead her to start Helicopter Tech. Having grown up in the world of aviation, Carson was close enough to the industry to recognize a market need for difficult-to-obtain helicopter parts and to devise a practical pipeline to get those parts from their various manufacturers into the marketplace. Carson founded Helicopter Tech, Inc., on the basis of that helicopter part distribution network, and expanded the business over the years to supply parts to other types of aircraft and to engineer aircraft parts as an FAA-PMA certified company.

When Carson attended a symposium at Utah's Hill Air Force Base in 2006, she knew that she needed to grow Helicopter Tech to the next level, and she knew that tapping into a new market was the best way to achieve that goal. At that symposium she first learned of the LGPVC, and she recognized real growth potential in Helicopter Tech becoming a Federal Government supplier. After attending a second symposium focused on the LGPVC, Carson knew that the LGPVC could be exactly the growth opportunity that she had been seeking for Helicopter Tech.

To bring the LGPVC more reliably within reach, Carson turned to the SBA not only for a loan guarantee to assure proper cash flow to execute the LGPVC, but for valuable education on the federal government procurement process. For many years the SBA had supported Helicopter Tech's growth by guaranteeing several loans, including an Export Line of Credit, and a Term Loan. Now, Carson knew that she could rely on the SBA to guide her step-by-step through the federal government contracting process for the LGPVC.

"Robert Elsas, Regional Manager of International Trade Programs in the SBA's U.S. Export Assistance Center Division, has been of extraordinary assistance to my company in supporting my dream to grow it," said Carson. "The LGPVC proposal was an extremely demanding effort lasting in excess of two years. Bob recognized how hard we were working and would visit our office to offer a kind word of support. It was his way of demonstrating that the Philadelphia SBA office supported us, as a small business, in this tremendous effort. In support of Helicopter Tech's pursuit of prime vendor status under the LGPVC contract, SBA has guaranteed Helicopter Tech up to the \$2 million maximum allowance to ensure we have the proper cash flow to execute the LGPVC successfully."

With the aid of the SBA's financing and government procurement guidance, Carson secured prime vendor status for Helicopter Tech under the LGPVC. She reports that Helicopter Tech has already received in excess of \$2 million in orders from the Air Force, alone, under the LGPVC and forecasts sizeable growth for Helicopter Tech on the basis of that business. According to Carson, Helicopter Tech looks forward to hiring up to 10 additional contractors or part or full-time employees to staff projects under the LGPVC.

The SBA offers a wide variety of financing and business counseling programs to help small businesses secure federal government procurement opportunities. The SBA's financing programs for small businesses includes 7(a), 504 and disaster assistance loans. The SBA also provides technical assistance, including guidance through the federal government procurement process, through the Service Corps of Retired Executives ("SCORE"), Small Business Development Centers ("SBDC's") and the Women's Business Centers ("WBC"). Those services include one-on-one counseling, training workshops, and other management and technical guidance. Additionally, SBA maintains an Office of Advocacy to protect, strengthen and effectively represent the nation's small businesses in the Federal Government. For more information, please visit [www.sba.gov](http://www.sba.gov).

This article does not constitute or imply an endorsement by SBA of any opinions, products or services of any private individual or entity.

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The U.S. Commercial Service is offering a series of webinars on the European market to help your company lay the foundation for success across the continent "Opportunities for U.S. Exporters in Poland" represents the first of a three-part webinar series on the basics of exporting to Europe. This webinar provides a general overview of the Polish market including best industry prospects and the steps necessary to successfully market, promote and sell your products in Poland. The U.S. and Poland enjoy an extraordinarily close relationship which has fostered strategic and commercial cooperation. With a market of 38 million consumers located in the heart of central Europe, this introduction to Poland is a must for those serious about exporting to Europe. Speakers include Mr. John McCaslin, Senior Commercial Officer from the U.S. Embassy in Warsaw, Poland will present information on the local market sectors in Poland which offer the greatest opportunity for U.S. businesses. For more information please visit <http://www.buyusa.gov/newhampshire/twewebinars.html>

Promotional email for TWE Poland:



The U.S. Department of Commerce, U.S. Commercial Service is pleased to announce:

***Trade Winds Forum Europe - Warsaw, Poland***  
***April 20-22, 2009***

**Register Your Interest Today - This event is only open to 50 U.S. Companies!**  
<http://www.buyusa.gov/newhampshire/twe.html>

***Does your company have a Pan European Business Strategy?*** U.S. exports are growing four times faster than the economy as a whole. Europe presents a market filled with opportunities for U.S. businesses. If you're already doing business in one, two or several European countries, expansion throughout the continent is the next logical step. Poland constitutes a market of 38 million people located in the heart of central Europe and is a fully integrated member of the EU. By participating in this event, U.S. companies have the chance to make or increase sales in this booming region with a customized itinerary, according to country market demand.

***Meet with U.S. Senior Commercial Officers from 27 Countries in Europe - All in one location!*** Currently stationed overseas, each of these Commercial Officers is in a unique position to deliver the most up-to-date information on developing opportunities for U.S. business. More importantly the Officers can be your best resource to help your company develop and maintain market presence, find local partners, help launch your products or services, obtain valuable market research and protect your IPR. You will have the opportunity to meet privately with the U.S. Senior Commercial Officers to discuss business opportunities for your company.

***Business to Business Matchmaking Appointments!*** Are you looking to meet potential business partners in Poland? On the third day of the program you will participate in prearranged business appointments with Polish companies whose interests and objectives match your requirements. Meetings will be held at the hotel and each company will receive an agenda of prearranged appointments prior to arrival in Poland.

**Customize your Itinerary!** While in Europe take the opportunity to visit another high-potential market for your product/service. For an additional fee we recommend an optional day of customized business appointments in your country of choice. Ask about the spin off Gold Key Service to another European market of choice.

**Extra Promotion!! Commercial News USA (CNUSA) – Special Trade Winds Europe Edition:** The catalog-style magazine is designed to help American companies promote products and services to buyers overseas. All companies will be listed in a special Trade Winds Europe CNUSA for distribution and promotion throughout Europe. Each company receives ¼ page ad.

**Cost of Program:** \$1,650 for companies with less than 500 employees, \$2,850 for companies with more than 500 employees - *Fee does not include air travel or lodging. This event is open to 50 U.S. companies with market potential in Poland and Europe*

***For additional information and to register your interest, please visit our website at <http://www.buyusa.gov/newhampshire/twe.html>***

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For information on the Commercial Service please view our website at [www.buyusa.gov/trenton](http://www.buyusa.gov/trenton) or [www.export.gov](http://www.export.gov)

## November 2008

For additional information about the topics in this newsletter, or to learn more about our services, feel free to contact us at:

570.524.4491  
[export@seda-cog.org](mailto:export@seda-cog.org)  
[www.seda-cog.org/export](http://www.seda-cog.org/export)

### Market Access Grant (MAG)

Due to the overwhelming response to the Market Access Grant (MAG) program, the deadlines and review sessions have moved to a quarterly format.

Wednesday, December 31, 2008 is the last day to submit a MAG for the upcoming review session.

As of September 2008, there is a new user-friendly [MAG form](#).

If you are interested in applying for this grant, please [contact us](#) for assistance.

### In This Issue

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### Quick Links

[www.seda-cog.org/export](http://www.seda-cog.org/export)  
[Last Month's Newsletter](#)  
[http://rs6.net/tn.jsp?e=001jAloxsjMRmgwGWRVAVMUH5RVqz6hVnuqdkznQA0rusxIk\\_Rmz9dHiKTGaRnq4WTLaQQxFh9A9RUpusV9o4PgIKLIW86n5k1PbJvhY0y-llgRKWZfvdXDbVrmyOsC8n6TKPhh7n\\_R9nenlD](http://rs6.net/tn.jsp?e=001jAloxsjMRmgwGWRVAVMUH5RVqz6hVnuqdkznQA0rusxIk_Rmz9dHiKTGaRnq4WTLaQQxFh9A9RUpusV9o4PgIKLIW86n5k1PbJvhY0y-llgRKWZfvdXDbVrmyOsC8n6TKPhh7n_R9nenlD)

### Trade Conference a Success!

Over 100 people attended the 10th Annual Central Pennsylvania International Trade Conference in State College on September 19, 2008.

Check out the photos and read more about the trade conference [here](#).

Thank you to our sponsors, speakers, and participants in helping to make this event a success! We look forward to seeing you at next year's 11th Annual Central Pennsylvania Trade Conference on September 11, 2009.

### Updates to the EAR and ITAR

The Bureau of Industry and Security (BIS) has revised the Export Administration Regulations (EAR) provisions that apply to the de minimis rules. The de minimis rule refers to the amount of controlled U.S. content in an originally foreign made product. If your foreign made product has less than the de minimis level of U.S.-origin content set forth by the EAR, it will not require an export license. Refer to the appropriate EAR section regarding your products for the de minimis updates: [http://www.access.gpo.gov/bis/ear/ear\\_data.html](http://www.access.gpo.gov/bis/ear/ear_data.html)

Regarding the International Traffic in Arms Regulations (ITAR), Eritrea has been added to the list that regulates exports and sales based on a country's unwillingness to cooperate with anti-terrorism efforts. Additionally, Rwanda has been removed from this list as a result of a resolution from the United Nations Security Council. Lastly, the State Department has amended the text of the ITAR to increase registration fees and change the registration renewal period.

For more information please contact Sarah Sciabica at [ssciabica@seda-cog.org](mailto:ssciabica@seda-cog.org) or 570-524-4491.

### Thinking of Exporting to Brazil? How a Brazilian Import License Could Affect You

Before accepting any US exports, Brazilian importers must be registered with the Foreign Trade Secretariat (SECEX) of the Ministry of Industry, Commerce and

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[More About Us](#)

Tourism (MICT). Registering with SECEX provides the importer with access to a computerized trade documentation system that allows for automatic processing.

Items that may be regulated by specific Brazilian ministries and agencies, such as the Ministry of Health, the Ministry of Agriculture, or the National Defense Ministry, may be subject to separate, non-automatic, import license procedures.

## Upcoming Events

### [Medica](#)

Dusseldorf, Germany  
November 19-22

PA Food & Beverage Show  
York, PA  
November 22-23

Arab Oil & Gas/OGS  
Dubai, UAE  
December

[Argentina, Chile & Peru  
Trade Mission](#)  
December 1-5

IFE India  
New Delhi, India  
December 2-4

[Pollutec](#)  
Lyon, France  
December 2-5

[FHC China 2008](#)  
Shanghai  
December 4-6

For additional event listings, visit our [Trade Event Calendar](#).

Once the importer is registered, they will be provided with an inscription number, either by the National Person Register or the General Taxpayer Register of the Revenue Ministry. This number must appear on the commercial invoice or other documentation for clearance.

The registration process for an importer takes an average of 45 days.

Along with registering with SECEX, the importer must have importing declared as one of its activities in its company statutes of incorporation. This is also a documentary procedure that takes approximately 60 days.

In an effort to reduce demurrage or other penalties, it would be beneficial to discuss this import license with potential clients up front to make sure that they are legally prepared to accept goods from the United States.

A great resource for learning more about import licensing is the [BrazilTradeNet website](#). This is an interactive database that is maintained by the Ministry of Foreign Relations in Brazil and allows Brazilian and non-Brazilian firms to form business-to-business relationship online.

BrazilTradeNet also contains current information on foreign investment opportunities, upcoming trade shows and events, as well as market research on numerous sectors.

Perhaps the most beneficial part of this website for US companies exporting to Brazil is an online PDF copy of the book *How to Export to Brazil: A Practical Guide to the Brazilian Importing Process*.

If you are interested in learning more about exporting to Brazil, please contact Lindsay Michael at 570-524-4491.

For more information on any of the events or articles featured in the Export Newsflash, feel free to call, drop us an email, or visit our website.

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[export@seda-cog.org](mailto:export@seda-cog.org)  
[www.seda-cog.org/export](http://www.seda-cog.org/export)

## Virtual Trade Advisor

Pennsylvania Department of Community and Economic Development recently launched Virtual Trade Advisor, an online tool used to analyze export trends, locate the best markets for your product, identify potential buyers and more. To register for this free service, visit <http://www.newpa.com/trade>.

Join Our Mailing List!

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## **EX-IM BANK EXPANDS ACCESS FOR SMALL BUSINESS EXPORTERS**

December 8, 2008

The Export-Import Bank of the United States announced that it has enhanced several of its trade finance products to help counter the tightening of credit and the lack of liquidity in the export marketplace. The goal is to help U.S. exporters, particularly small businesses, to create and maintain export-related jobs.

The enhancements will increase access to direct lending and working capital loan guarantees. The latter are of critical importance to small and medium-sized exporters and companies providing goods and services destined for export by other U.S. companies, the bank said.

Using its existing authority to make direct loans, the Ex-Im Bank said it can work with lenders to structure transactions to adapt to their financial conditions or restrictions. The bank said this will be done on a case-by-case basis, focusing on supporting new exports either directly or indirectly.

The changes include a provision that allows companies that produce goods or services sold to U.S. companies and subsequently exported to apply for working capital loans guaranteed by the Ex-Im Bank. In the past, the working capital loan guarantee product has not been available to these companies.

The bank is raising from 10 percent to 100 percent the amount of a working capital loan guarantee available for these "indirect" exporters. In addition, the bank will now consider covering warranty letters of credit up to 20 percent of the loan amount or \$1.5 million, whichever is lower, for a term of 12 months. This is a tripling of the previous ceiling of \$500,000.

The bank said staff will now consider, on a case-by-case basis, reducing collateral requirements for letters of credit to 10 percent of face value, down from 25 percent currently. That compares with 100-percent cash collateral for all letters of credit generally required by the private sector.

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FOR IMMEDIATE RELEASE

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MANUFACTURER OF THE YEAR PRODUCES SATISFIED CUSTOMERS

An Advanced Contract Manufacturer Turns Doing the Right Thing into Business Model and Finds Success

Eagleville, PA, November 6, 2008 - Recognized as 2009's standout all-star in a pool of qualified nominees from the region's 6,000 plus manufacturers, Inteprod LLC, a full-service advanced manufacturing partner for technology-driven products in the medical and food safety industries has



received the Greater Philadelphia Chamber of Commerce's Excellence Award for Manufacturer of the Year.

In a grueling selection process, industry experts and Philadelphia's leading business executives recognized Inteprod for its paramount commitment to quality, value, and customer satisfaction. Ultimately, the judges rallied behind Inteprod's flexibility in meeting the needs of clients large and small, and the firm's insistence on building integrity, intelligence, and innovation into every job at hand.

Developing customer-centric design packages free of hidden costs and quoted right the first time might sound like common sense; it is just not always common practice. By using the highroad model of business development and combining it with total elasticity in servicing start-up companies and large OEMs alike, Inteprod has successfully transitioned beyond the role of general supplier into that of a product development partner businesses turn to for trusted expertise, advanced production capabilities, and world-class resources that cannot generally be sustained in-house.

OEMs that work with Inteprod gain the advantages of reduced overhead costs and time to market, enabling them to continue focusing on core competencies. For small start-ups without capital resources or in-house expertise, Inteprod is a cost-effective resource that can successfully drive products from concept to commercialization.

With more than 26 years of industry experience, Inteprod has proved to be an invaluable resource for businesses around the world. The company's expertise extends to all phases of product development from design and prototyping to regulatory approvals, manufacturing, and commercialization. The company operates from a 26,000 square-foot facility in Eagleville, Pa., with manufacturing capabilities that extend from small pilot runs to large volume production.

In this case, doing the right thing and treating every opportunity like it is a golden opportunity, has helped Inteprod make a mark in its Industry. Over the years, the customers who engaged with Inteprod have remained with Inteprod. After all, one project is all it takes to discover the difference.

About Inteprod - Inteprod is an innovative and highly experienced full-service supplier of comprehensive design, development, and contract manufacturing solutions for products in the medical device, medical diagnostics, and food safety diagnostics industries. Focused on and committed to the medical industry, Inteprod is a strategic partner and resource for major Medical OEMs and emerging Biotechnology and Life Science companies. Inteprod's deep expertise and capabilities in developing and manufacturing medical products include: hand-held devices, point of care diagnostics, bedside diagnostics, LOC technology, patient monitoring, analytical instruments, and minimally invasive surgical

instruments.

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If you would like more information about this topic or to schedule an interview with Inteprod, please contact Lori Pegon at (610) 650-9002 or email [lp@inteprod.com](mailto:lp@inteprod.com)

Please Visit Inteprod's Web Site

[www.inteprod.com](http://www.inteprod.com)

Congratulations,



Carmen S. Italia, Jr., President  
and the Staff and Board of Directors of MCIDC

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### **Major MARBC Events in Russia**

Traditionally, the MARBC organizes American participation at a number of major events every March through April in Russia, and the MARBC has now combined all of these events into the ***MARBC Month in Russia***. As a member of the Russian-American business community, I would like to invite you to take part in the events of the ***MARBC Month in Russia*** in March-April 2009, which will offer advantageous opportunities to network with your industry's Russian and American counterparts and associates. MARBC is coordinating the participation of the American delegations, including a significant number of companies from the Mid-Atlantic Region, and organizing American programs and roundtables at the following events held in Moscow, including the Moscow International Salon of Innovations & Investment; the 5<sup>th</sup> Moscow International Congress: Biotechnology: State of the Art and Prospects of Development; the 16<sup>th</sup> Moscow International Travel & Tourism Exhibition; Goszakaz, a government

procurement forum-exhibition; MosBuild; BIOEURASIA; the 10<sup>th</sup> International Forum: High Technology of the 21<sup>st</sup> Century; and Sister-City Expo and Conference.

In 2008, Pennsylvania became the first American state to establish an Authorized Trade Representative in Moscow. The Pennsylvania Center for Trade Development, in cooperation with the US Commercial Service, World Trade Center of Greater Philadelphia and the Mid-Atlantic – Russia Business Council, organized Pennsylvania’s first official Trade Mission to Russia in 2008 and is planning Pennsylvania’s second official business-to-business **Trade Mission to Russia** in June 2009.

The changing business climate in Russia has created new opportunities for business cooperation. Successful performances by many U.S. and other foreign companies on the Russian market demonstrate the enormous potential for future U.S.-Russia business relations. As a part of celebrating ten years of successful MARBC programs promoting regional cooperation and our upcoming fifteen-year anniversary, these events will be highly advantageous opportunities for you to further strengthen prosperous commercial ties between the Mid-Atlantic region and Russia.

For further information, please feel free to contact me at: (484) 467-7444 or [val@ma-rbc.org](mailto:val@ma-rbc.org), and visit the MARBC website: [www.ma-rbc.org](http://www.ma-rbc.org). I look forward to your participation and our future cooperation.

Sincerely,

Val Kogan  
President of the Mid-Atlantic - Russia Business Council

*About the Mid-Atlantic - Russia Business Council.* Since 1994, MARBC has worked to foster business relations between Russia and the Commonwealth of Independent States (CIS) and the U.S. Mid-Atlantic region, while cultivating mutual appreciation of political, economic, cultural, and educational interests. The goal of MARBC is to enable companies based in the U.S. Mid-Atlantic region to enhance their positions in Russia and the CIS and to attract Russian businesses to the U.S. Mid-Atlantic region.

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Val Kogan, President

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# Office of Advocacy News Release

*Advocacy: the voice of small business in government*

**For Release: November 20, 2008**  
SBA Number: 08-34 ADVO

**Contact:** John McDowell  
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205-6941

[john.mcdowell@sba.gov](mailto:john.mcdowell@sba.gov)

## **EPA Reform Of SPCC Rule Benefits Small Business**

### ***Revisions Streamline Requirements, Will Increase Overall Compliance***

WASHINGTON, D.C. – The Environmental Protection Agency’s recent actions reforming the Oil Spill Prevention, Control, and Countermeasure (SPCC) rule contains provisions that will benefit small business. The Office of Advocacy of the U.S. Small Business Administration is encouraged that the EPA listened to small business and included those provisions in the reformed rule.

“Advocacy has worked for years with the EPA to get the SPCC rule right for small business,” said Shawne McGibbon, acting Chief Counsel for Advocacy. “EPA’s announcement of the current SPCC rule reform shows that they have listened to the concerns of small business and have acted to alleviate those concerns.”

The SPCC program is designed to prevent spills of oil into waterways, and to contain spills after they occur. Facilities subject to the program must develop spill prevention plans designed to prevent and minimize such discharges.

EPA’s amendments are designed to increase overall compliance by small firms while reducing the regulatory burden on facilities that handle small volumes of oil and have a history of no reportable discharge. For small facilities, EPA introduced a reporting template and other streamlined requirements. It also included a visual inspection option for small volume tanks.

EPA realized that its original rule put an unnecessary burden on firms that did not significantly contribute to the oil spill problem EPA was attempting to address. The revised rule takes up issues raised by Advocacy in a June 2004 comment letter and report, and contains many of the changes suggested by the Office of Advocacy in February 2006 comments to EPA.

The Office of Advocacy, the “small business watchdog” of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.

For more information, visit the Office of Advocacy web site at [www.sba.gov/advo](http://www.sba.gov/advo).

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*The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policymakers. For more information, visit [www.sba.gov/advo](http://www.sba.gov/advo), or call (202) 205-6533.*

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**TO:** All SBA Employees

**CONTROL NO.:** 5000-1087

**SUBJECT:** New IRS Tax Verification Alternative

**EFFECTIVE:** 12/19/2008

The Internal Revenue Service (IRS) has implemented a new expedited service through which the financial community can expeditiously confirm the income of a borrower during the processing of a loan application: Income Verification Express Service (IVES) program. Under IVES, the IRS can electronically provide tax return transcript, W-2 transcript and 1099 transcript information generally **within 2 business days** to a third party with the consent of the taxpayer.

The transcript information is delivered to a secure mailbox based on information received from a Form 4506-T. A \$4.50 fee is imposed on each transcript requested. It is expected that this process will replace the current process, which requires the manual pick-up and delivery of transcripts from the seven IRS Return and Income Verification Services (RAIVS) units located across the country.

Under the new system, transcripts will be delivered electronically using the e-Services platform via a secure mailbox. To participate in the IVES program, lenders will need to register and identify employees to act as agents to receive electronic transcripts on the lender’s behalf. To

establish access to a secure mailbox, lenders will need to register, which can be done through the following IRS website: <http://www.irs.gov/individuals/article/0,,id=161649,00.html>. Additional information on IVES is also available from this website or contact [leonard.fagan@sba.gov](mailto:leonard.fagan@sba.gov).

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Grady B. Hedgespeth  
Director, Office of Financial Assistance

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# *News Release*

## **PRESS OFFICE**

<b>Release Date:</b> December 19, 2008	<b>Contact:</b> Christine Mangi (202) 205-6948
<b>Release Number:</b> 08-123	<b>Internet Address:</b> <a href="http://www.sba.gov/news">http://www.sba.gov/news</a>

## *Baruah Welcomes Nomination of Karen Mills To be SBA Administrator*

**WASHINGTON** – U.S. Small Business Administration Acting Administrator Sandy K. Baruah issued the following statement on President-Elect Barack Obama’s nomination of Karen Mills to be the next SBA Administrator:

“I applaud, and welcome, President-Elect Obama’s selection of Karen Gordon Mills to serve as the next Administrator of the SBA.

“Karen Mills has been a friend and professional partner over the years in both my roles as the assistant secretary of Commerce and the head of the SBA. She is ideally suited to lead the agency. Mills’ background is a combination of management, venture capital, and public policy, three elements key to leading the agency successfully. In addition, Mills has a record of bi-partisanship which is important to SBA and the small business community the agency serves.

“I am proud of the Agency’s record of reform, which has opened opportunity to small business owners throughout America, achieved record loan volume to small businesses, and ensured that communities affected by disaster have the resources to rebuild. Mills will head an agency that has vastly improved its delivery of services and has a dedicated team of civil servants to help carry out the agency’s mission.

“Along with the entire SBA team, I am committed to ensuring a smooth and collaborative transfer of power to the new Administration. Mills will have my full support in her new role during the transition and beyond.”

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**USTR NEWS**  
**UNITED STATES TRADE REPRESENTATIVE**  
[www.ustr.gov](http://www.ustr.gov) Washington, D.C. 20508 202-395-3230

**For Immediate Release:**  
December 19, 2008

**Contact:**  
Sean Spicer/Gretchen Hamel (202) 395-3230

**U.S. Trade Representative Susan Schwab Welcomes Nomination of Ron Kirk**  
*Highlights Bush Administration Trade Accomplishments*

**WASHINGTON, DC** — Ambassador Susan C. Schwab said today that she welcomed the announcement that President-elect Obama intends to nominate Ron Kirk for the position of United States Trade Representative.

“The Office of the U.S. Trade Representative (USTR) plays a critical role in the U.S. economy by promoting the open and fair trade of goods and services around the globe,” Ambassador Schwab said. “Ron Kirk is an excellent choice and I hope that he continues the work that we have done to benefit U.S. workers, farmers and entrepreneurs. As a former mayor of Dallas, which is a major hub of international business, he understands the importance of trade.

“The Bush Administration has made important strides in promoting U.S. trade interests during the past eight years,” she said. “When President Bush came into office, the United States had Free Trade Agreements (FTAs) in force with only three countries. Today, we have FTAs in force with 14 countries in Latin and North America, in Asia and the Middle East, and in North Africa. The Administration is working to put FTAs with three other countries into force, and three more agreements await Congressional action.

“We have laid the groundwork for an ambitious and balanced multilateral agreement in the World Trade Organization’s Doha Round,” Ambassador Schwab said. “China, Vietnam and others joined the WTO during this period. In addition, the United States took on and resolved multiple trade disputes, including the filing of 27 cases in the WTO with a success rate of 95

percent for winning or settling U.S.-initiated cases. This record includes seven cases challenging Chinese barriers to U.S. goods, services, and intellectual property in the seven years since China joining the WTO.

“I am proud of USTR’s accomplishments in opening markets, as well as its excellent record of enforcing our trade agreements,” Schwab said. “This Administration will leave behind an exceptionally strong, pro-trade organization that will support the new U.S. Trade Representative as he continues to build on those accomplishments.”

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<b>TO</b>	All Employees	<b>CONTROL NO.:</b>	5000-1089
<b>SUBJECT</b>	New SBA Form 1086 Secondary Participation Guaranty Agreement	<b>EFFECTIVE:</b>	12/19/2008

The U.S. Small Business Administration (SBA) has modified SBA Form 1086, “Secondary Participation and Guaranty Agreement” to include LIBOR as an acceptable base rate for SBA guaranteed loans. Other minor changes, such as updated fees, have also been made to SBA Form 1086. SBA Form 1086 is the multi-party agreement executed among the lender, the investor (Registered Holder), SBA and SBA’s fiscal and transfer agent, Colson Services Corp. (Colson) when an SBA 7(a) guaranteed loan is sold into the secondary market. Lenders and investors can access the new SBA Form 1086 through Colson’s website <http://www.colsonservices.com/main/forms/form1086.pdf> , or via hyperlink from SBA’s website <http://www.sba.gov/aboutsba/sbaprograms/elending/index.html>.

The new SBA Form 1086 (version December 2008) is effective January 1, 2009. The December 2008 version of SBA Form 1086 must be used for all loans presented for settlement at Colson after December 31, 2008. Loan packages received by Colson by December 31, 2008, can use the old version of SBA Form 1086. All loans received at Colson after December 31, 2008, must use the December 2008 version of SBA Form 1086.

Please address any questions on the new SBA Form 1086, version December 2008, to Marybeth Kerrigan at [mary.kerrigan@sba.gov](mailto:mary.kerrigan@sba.gov).

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Grady B. Hedgspeth  
Director  
Office of Financial Assistance



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On behalf of Mid-Atlantic – Russia Business Council (MARBC), I am pleased to invite you to participate in a series of MARBC events taking place in the United States and Russia in 2009.

### **Major MARBC Events in the United States**

The first event to which you are invited is the MARBC-organized seminar series, “**Changing Face of Russia,**” which highlights recent trends and developments taking place in Russia's changing business environment while addressing their effects on Russian-American business interactions. Three seminars were held in Pennsylvania with the support of Pennsylvania Department of Community and Economic Development in 2008. Featuring a Trade Representative of Russian Federation in the United States and other distinguished speakers, the first seminar, organized by MARBC with World Trade Center of Greater Philadelphia, was conducted on January 25<sup>th</sup> in Philadelphia. The second seminar, organized by MARBC with SEDA-Council of Governments, was held on February 20<sup>th</sup> at State College. The third seminar, organized by MARBC with World Trade Club of Lehigh Valley and Lehigh Export Network, took place on March 25<sup>th</sup> in Lehigh Valley. These seminars laid the groundwork for MARBC Month in Russia and Pennsylvania Trade Mission to Russia. The “Changing Face of Russia” seminar outside of Pennsylvania was a part of New York City's World Trade Week events on May 23<sup>rd</sup> in New York; MARBC organized this seminar with U.S. Department of Commerce, New York State Bar Association, Manhattan Chamber of Commerce, and Trade Representation of Russian Federation in the USA. MARBC will be conducting further seminars in Pennsylvania and along the East Coast from February 2009 through November 2009.

Mid-Atlantic – Russia Business Council presented a panel discussion “*Recent Successes of Russian-American Renewable Energy Cooperation & Analytical Application Tools for Biofuels Market Developments*” in conjunction with the Washington International Renewable Energy Conference (WIREC) at the Washington, DC on March 3-7, 2008. Global in scope, hosting exhibitors, speakers and delegates from 127 countries from around the world, the WIREC 2008 was the largest business to business and business to government conference and exposition ever held on renewable energy in the U.S. MARBC is a supporting organization of the **Renewable Energy Technology Conference and Exhibition (RETECH 2009)**, which will be held in Las Vegas, NV on February 25-27, 2009. RETECH promises to build on the success at WIREC, and is expected to be the largest all-renewable gathering in the U.S. in 2009.

**Semi-Annual Russian-American Innovation Technology Weeks (RANIT)**, the most significant group of events devoted to technological cooperation between Russian and American businesses, is organized by MARBC to bring together entrepreneurs, scientists, venture capitalists, and established corporations from American and Russian technology communities. I would like to invite you to the **10<sup>th</sup> Semi-Annual Russian-American Innovation Technology Week (RANIT-BIO)**, which will be held from May 13-22, 2009. The 10<sup>th</sup> RANIT-BIO will highlight biotechnology, nanotechnology, chemical industry and the life sciences. Beginning with events in Philadelphia and Washington on May 13-16, 2009, the 10<sup>th</sup> RANIT-BIO will formally open with a welcoming ceremony and conference at Philadelphia’s City Hall on May 13<sup>th</sup>. Keynote speakers for the 10<sup>th</sup> RANIT-BIO will include presidents of both American and Russian biotechnology associations. In addition to roundtable discussions with members of biotechnology associations in the Mid-Atlantic region, other special events planned for the Russian delegation at the 10<sup>th</sup> RANIT-BIO include a seminar with members of venture capital funds specializing in biotechnology, a roundtable of commercialization of nanotechnologies, and a visit and roundtable at the International Incubator at the Science Center in Philadelphia. The 10<sup>th</sup> RANIT-BIO will conclude with the **2009 BIO**

**International Convention**, which is the largest and the most significant biotechnology event in the world, from May 18-21, 2009, at the Convention Center in Atlanta, with the Russian program organized by MARBC, the official organizer of the Russian delegation at BIO.

MARBC will organize the participation of a Russian delegation of businessmen from the medical technology field to the **AdvaMed 2009 Conference**, which will take place in Washington, D.C. October 12-14, 2009. MARBC is a supporting partner organization of AdvaMed 2009, the world's premier medical technology conference and exhibition for businessmen and financiers in the Med Tech field. This event will be an important opportunity for Russian businesses to showcase their latest products and network with other leaders in this industry.

Mid-Atlantic - Russia Business Council is pleased to announce **Days of Russian-American Venture Industry Cooperation**, which will take place in Philadelphia and the Mid-Atlantic region in the first week of November 2009. A Russian delegation of industry executives will participate in a number of business events and learn about the U.S. venture capital industry. As an important part of the Days of Russian-American Venture Industry Cooperation, MARBC is organizing Russian participation in the **Mid-Atlantic Capital Conference (MAC)** on November 3-4. Highlighting the wide variety of investment opportunities in the Mid-Atlantic region, MAC is one of the oldest venture capital events in the United States.

The **Mid-Atlantic BIO Conference**, which will take place in Washington, DC from November 4-6, 2009, is the region's premier event to combine a biotechnology industry convention and investor conference under one roof. The conference will provide additional global focus by including elements such as an International Partnering Program to help international companies connect with regional businesses. MARBC is an international sponsoring organization of Mid-Atlantic BIO and will organize Russian participation throughout the conference.

The **11<sup>th</sup> Semi-Annual Russian-American Innovation Technology Week (RANIT)** will be held in Philadelphia and the Mid-Atlantic region from November 16-20, 2009 and will focus on information technology, alternative energy, nanotechnology, robotics, chemical engineering, safety and security technologies, technology in education, venture capital, and entrepreneurship. One of the leading events during the 11<sup>th</sup> Russian - American Innovation Technology Week will be the **5<sup>th</sup> Annual Russian-American Technology Entrepreneurship Conference** in Philadelphia. Additional events will include a visit and roundtable at the International Incubator at the Science Center, and reception at the Pyramid Club in Philadelphia. The week will continue with visits to other states in the Mid-Atlantic region.

The 11<sup>th</sup> RANIT will once again include a MARBC-organized Russian program at **ITEC Philadelphia** at Valley Forge Convention Center. ITEC Philadelphia is part of the nation's largest series of regional business technology events for IT and business professionals, featuring a combination of national vendors and local suppliers, and a conference program with seminars on the newest issues in information technology. In 2008 Mid-Atlantic-Russia Business Council delivered a keynote presentation: "*Thinking Globally in Today's Economic Environment and How To Expand Globally in an IT Market*". Mid-Atlantic-Russia Business Council is a partnering organization with ITEC Philadelphia and will again organize Russian exhibition and present panel discussions highlighting Russian information technology capabilities in 2009.

As part of our efforts to develop regional cooperation between vast regions of Russia and the Mid-Atlantic States, I would like to invite you to meet with the visiting **delegation of Mayors and local government officials from the Russian Federation** to Philadelphia and the Mid-Atlantic region that MARBC will be hosting in Fall 2009. A key event of the Russian Mayors' Delegation's visit to the United States will be the welcoming ceremony and roundtable discussion at the Mayor's Reception Room

of Philadelphia City Hall. Following the opening ceremonies, the **Biennial Russian-American Business Opportunities Symposium** will be held. The Symposium will focus on regional cooperation, and include discussions on challenges of doing business in Russia and opportunities in specific industrial sectors. Delegation discussions will cover some of the most pressing issues for Russian-American business relations. Additional programs will be organized by MARBC for this distinguished delegation in Harrisburg, PA, Wilmington, DE, Baltimore, MD, Washington, D.C., and New York, NY.

### **MARBC Events in cooperation with Universities and Colleges from the Mid-Atlantic Region**

In 2008 MARBC organized a number business and cultural events jointly with some of the well-recognized universities in the Greater Philadelphia Region. The first of such events were held in Pennsylvania at Temple University, Drexel University, and several other universities and colleges, with a concluding event at the University of Pennsylvania.

Mid-Atlantic - Russia Business Council (MARBC) and Wharton Russia Student Society hosted the first joint Forum "*The Future of U.S.-Russia Business Ties: Opportunities or Constraints?*" on November 17<sup>th</sup>. The event featured speakers that provided perspectives on economic, political, and cultural aspects of the U.S-Russia business relationship. The event was a part of the International Education Week, a joint initiative of the U.S. Department of State and the U.S. Department of Education, which is held to discuss benefits of international education and student exchange worldwide. Mid-Atlantic - Russia Business Council and Wharton Russia Student Society are pleased to invite you to join us on February 4, 2009 for our second joint event, which will have a mainly cultural focus.

MARBC will be conducting additional programs in Pennsylvania and along the East Coast from February 2009 through the end of 2009 with several universities and colleges from Mid-Atlantic Region to discuss the benefits of U.S-Russia education, entrepreneurship, science, and business cooperation. The events will host speakers from Russian and American companies conducting business in both the U.S. and Russia. The programs will also present multiple opportunities for furthering communication and cooperation between Russian and American universities.

### **Major MARBC Events in Russia**

Traditionally, MARBC organizes American participation at a number of major events every March through April in Russia, and MARBC has combined all of these events into the **MARBC Month in Russia**. As a member of the Russian-American business community, I would like to invite you to take part in the events of the **MARBC Month in Russia** in March-April 2009, which will offer advantageous opportunities to network with your industry's Russian and American counterparts and associates. MARBC is coordinating participation of American delegations, including a significant number of companies from the Mid-Atlantic Region, and organizing American programs and roundtables at the following events held in Moscow, including the Moscow International Salon of Innovations & Investment; the 5<sup>th</sup> Moscow International Congress: Biotechnology: State of the Art and Prospects of Development; the 16<sup>th</sup> Moscow International Travel & Tourism Exhibition; Goszakaz, a government procurement forum-exhibition; MosBuild; BIOEURASIA; the 10<sup>th</sup> International Forum: High Technology of the 21<sup>st</sup> Century; and Sister-City Expo and Conference.

In 2008, Pennsylvania became the first American state to establish an Authorized Trade Representative in Moscow. Pennsylvania Center for Trade Development, in cooperation with US Commercial Service, World Trade Center of Greater Philadelphia and Mid-Atlantic – Russia Business Council, organized

Pennsylvania's first official Trade Mission to Russia in 2008 and is planning Pennsylvania's second business-to-business **Trade Mission to Russia** in June 2009.

The changing business climate in Russia has created new opportunities for business cooperation. Successful performances by many U.S. and other foreign companies on the Russian market demonstrate the enormous potential for future U.S.-Russia business relations. As a part of celebrating ten years of successful MARBC programs promoting regional cooperation and our upcoming fifteen-year anniversary, these events will be highly advantageous opportunities for you to further strengthen prosperous commercial ties between the Mid-Atlantic region and Russia.

For further information, please feel free to contact me at: (484) 467-7444 or [val@ma-rbc.org](mailto:val@ma-rbc.org), and visit the MARBC website: [www.ma-rbc.org](http://www.ma-rbc.org). I look forward to your participation and our future cooperation.

Sincerely,

Val Kogan  
President of the Mid-Atlantic - Russia Business Council

*About Mid-Atlantic - Russia Business Council.* Since 1994, MARBC has worked to foster business relations between Russia and the Commonwealth of Independent States (CIS) and the U.S. Mid-Atlantic region, while cultivating mutual appreciation of political, economic, cultural, and educational interests. The goal of MARBC is to enable companies based in the U.S. Mid-Atlantic region to enhance their positions in Russia and the CIS and to attract Russian businesses to the U.S. Mid-Atlantic region.

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Val Kogan, President

Mid-Atlantic - Russia Business Council

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## Office of Inspector General U.S. Small Business Administration

November 2008 Update

### *Agency Management*

**Audit of SBA's FY 2008 Financial Statements.** On November 14, 2008, pursuant to the Chief Financial Officers Act of 1990, the *Independent Auditors' Report* and accompanying reports on internal control and compliance with laws and regulations were issued for the fiscal year ending September 30, 2008. The audit, which was performed by KPMG LLP under a contract with the OIG, found that SBA's consolidated financial statements presented fairly, in all material respects, the financial position of SBA as of and for the years ended September 30, 2008 and 2007. The financial statements also presented fairly, in all material respects, SBA's net costs, changes in net position, budgetary resources, and combined statements of budgetary resources for the years then ended. With respect to internal control over financial reporting, the independent auditors continued to report a significant deficiency related to information technology (IT) controls, but did not consider the deficiency to be a material weakness. KPMG noted that SBA made progress in several areas in its efforts to address prior year IT internal control deficiencies; however, despite these improvements, deficiencies continue to exist for security access controls, software program changes, and end-user computing. The Agency concurred with the independent auditor's findings and agreed to implement the recommendations.

### *Business Loan Programs*

**Results of Ongoing Investigation.** The following cases are part of an ongoing investigation, being conducted jointly with the U.S. Secret Service (USSS), relating to a scheme in which a non-bank lender's former executive vice president and others not employed by the lender conspired to fraudulently qualify loan applicants for SBA-guaranteed loans.

- On November 13, 2008, the former executive vice president in charge of the lender's Troy, Michigan, office was sentenced to 120 months incarceration

and 2 years supervised release, and was ordered to pay restitution of \$30,000,000 to the lender, \$2,944,904 to a bank, and \$800,059 to SBA. He previously pled guilty to one count of conspiracy to defraud the SBA and one count of lying to a federal grand jury. The investigation determined that the former executive vice president and others conspired to fraudulently qualify loan applicants for SBA guaranteed loans, primarily for the purchase of gas stations. At least 89 fraudulent loans, totaling approximately \$85,000,000, were issued through the lender's office in Troy, Michigan. The projected loss to the SBA and its lenders was determined to be approximately \$34,000,000. To date, 36 individuals have been indicted or otherwise charged in this investigation. Seventeen individuals have been convicted and sentenced, and others await resolution of their cases.

- On November 5, 2008, a former employee of a Dearborn, Michigan, bank was sentenced to 9 months home confinement and 5 years probation. She previously pled guilty to a criminal information charging her with misapplication of bank funds for issuing a \$1,680,000 cashier's check based on a non-sufficient funds credit card check written by a bank customer. The investigation determined that the unfunded cashier's check was used by a Michigan man and his co-conspirators to close on the purchase of a Bloomfield, Michigan, house with the intent to promptly resell or "flip" the property to a straw buyer.

**Business President Pleads Guilty.** On October 31, 2008, the president of a slaughtering business located in San Angelo, Texas, pled guilty to four counts of wire fraud & aiding and abetting and two counts of making a false statement to a bank & aiding and abetting. Between 2002 and 2005, he received

Dear Bob:

I'll be a panelist at a national conference organized by [The Journal of Commerce](http://www.joc.com/conferences/USEC/) in New York City on February 4 on exporting American-made products and services. My talk is on Asia. The link to the event is: <http://www.joc.com/conferences/USEC/>.

Merry Christmas and a Happy New Year!

Best, James



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**Specialty:** Forging business relationships in China, international sales & marketing, keynote speaker on China and entrepreneurship

**From:** Wilkins, Kahlia [mailto:kwilkins@joc.com]  
**Sent:** Wednesday, November 05, 2008 4:25 PM  
**To:** JamesChan@AsiaMarketingManagement.com  
**Subject:** RE: Updated U.S. Exports Conference Agenda

Hello James,

You can direct your clients to <http://www.joc.com/conferences/USEC/>. Thanks.

*Kahlia Wilkins*

**Conference Marketing Administrator**  
**Journal of Commerce Conferences**

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