



REGULATORY COMPLIANCE

&

AVOIDING THE LANDMINES



Regulatory Overview

- Purpose of Export Regulations
 - Ensure national security of the US and its allies
 - Promote the US foreign policy agenda
 - Protect human rights while combating terrorists and countries sponsoring terrorism
 - Inhibit proliferation, or wide-spread use of weapons of mass destruction
 - Protect US military personnel and technology



The RMI Approach to Compliance

- Export Regulations & Rules of the Road
 - Export Regulations v. Stop signs and lights
 - Strict Liability for error
 - We MUST be a defensive driver



Compliance Overview

- Balancing Business Interests against National Security Interests
 - Regulations and documents are vague & cumbersome
 - Customers & vendors don't understand or agree
 - Significant time & \$ is required for compliance
 - High risk with significant penalties for mistakes



“The Culture of Compliance”

- Leadership and Teamwork is a **MUST!**
 - Regulatory compliance and RMI business success requires a total team effort
 - The two are **NOT MUTUALLY EXCLUSIVE**, they are in fact completely dependant on one another
 - Everyone is a leader when it comes to compliance
 - Everyone needs to be a part of the **SOLUTION**



“The Culture of Compliance”

- Purpose of compliance is to allow RMI to LEGALLY import and export products, services and data
- RMI achieves this goal through:
 - Employee awareness and training
 - RMI COMPLIANCE MANUAL
 - Well documented processes and procedures
 - TECHNOLOGY CONTROL PLAN
 - Recordkeeping and audits

Continual focus on the fundamentals



Process & Procedure

“The Fundamentals”

- Identification, receipt and tracking of restricted items and technical data
 - Current knowledge of the regulations
 - Continuous communications with personnel
 - Proper review, handling & approval BEFORE exporting products
 - Also known as the TECHNOLOGY CONTROL PLAN
 - Proper review, handling and approval of technical data & drawings BEFORE sending
 - Also known as the TECHNOLOGY CONTROL PLAN



Process & Procedure

“The Fundamentals”

- Customer, vendors, carriers, and export countries will be screened against federal lists
 - Sales & customer service conduct first screen
 - Accounting/Shipping screens prior to shipment
- Any questionable issues will be directed to the Regulatory Department for further review

“THE CULTURE OF COMPLIANCE”



Classification Process

- All products are classified in accordance with US laws and regulations
 - Sales, Regulatory & Operations will determine product classification
 - Export Classification Control Form and End-Use/User Certification are sent with all quotes to aid in classification
 - ITAR classified products are handled according to the Technology Control Plan (TCP)
 - Regulatory submits license requests as necessary



Classification “Landmines”

- Vague regulations and definitions
- Seldom if any documented precedent
- “Conservative approach” (but not always the correct approach) to classification by customers and vendors
- Misunderstanding or lack of awareness by customers and vendors



“Culture of Compliance”

- Teamwork garners efficiencies
 - Internal Business Operations
 - Management, People, and Nationalities
 - External Business Operations
 - Corporate to Corporate communications
 - Government Relations
 - Regulatory intent in conjunction with efficient business operations
- ALL of the above go hand in hand building

“THE CULTURE OF COMPLIANCE”