



October 27, 2008

Desert Research Institute Commitment Statement on Export Controls

Although federal laws governing and limiting exports of technology and information have existed for many decades, companies, nonprofits and universities have been under increased scrutiny for compliance with these laws since the events of September 11th, 2001. The Desert Research Institute is committed to complying with all applicable laws, regulations, and policies related to such exports. While some research and other activities fall within one or more of the regulatory exclusions, it is vital that we each recognize our responsibilities as individuals and members of the Desert Research Institute.

The Office for Sponsored Projects Compliance is designated as the primary location for information and assistance regarding export controls. Export Control Information is available on DRI's internal website at:
http://safety.dri.edu/Forms/DRIShipping.html#export_controls

The regulations are very complex and one should not assume automatically that they do not apply to one's activities. *Violations of the regulations carry with them criminal and civil penalties that apply to organizations and individuals.* Criminal penalties include fines and prison sentences for individuals. Administrative sanctions also may be imposed on individuals and organizations. These include debarment from receiving federal research funding. Since these regulations are updated frequently, it is important to consult with your business manager whenever one anticipates exporting/importing items or information to/from a foreign country, activities involving foreign nationals, or involves the use of controlled equipment or information.

The Office for Sponsored Projects Compliance is also designated as the unit responsible for screening the commodity and denied persons list, the application and execution of export licenses, developing educational programs, and assessing project-specific and institute-wide compliance with export control laws, regulations, and policies.

Export control regulations apply in a general sense to:

- transfers of items or information outside the United States (which may include simply carrying controlled items or raw or processed data on trips to other countries);
- disclosures of controlled information to foreign nationals inside the United States (often called a "deemed export");
- training or offering of services involving controlled equipment or information to foreign nationals; and
- transactions with, or providing services to, certain foreign countries or individuals/entities who are on embargo lists.

The federal government has given three agencies cognizance over certain aspects of export controls:

- Department of Commerce, Bureau of Industrial Security: Export Administration Regulations (EAR) – dual use technologies that may have both commercial and military applications as well as lists of denied persons and

entities. A review of the Commerce Control List can be quite surprising since many items routinely used in research are included;

- Department of State: International Traffic in Arms Regulations (ITAR) – technologies that have primarily military applications;
- Department of Treasury, Office of Foreign Asset Control (OFAC) – economic and trade sanctions against embargoed countries as well as lists of individuals and organizations on lists pertaining to terrorism, narcotics trafficking, and those related to the proliferation of weapons of mass destruction.

As noted above, some of the research and other activities at DRI fall within one of the regulatory exclusions. One must, however, be very careful not to assume exclusions automatically apply since they are not identical across the regulations. Early consultation with the Office for Sponsored Projects Compliance is essential since, if none of the exclusions apply and licenses are required, the process can take anywhere from two to twelve months or more.

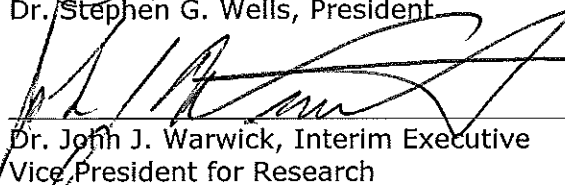
We ask that the entire DRI Community take these matters seriously and support us in this effort. If you have questions concerning the legitimacy of a transaction or potential violation please contact your respective business manager who will work with the Office for Sponsored Projects and Compliance.



Dr. Stephen G. Wells, President

10-29-08

Date



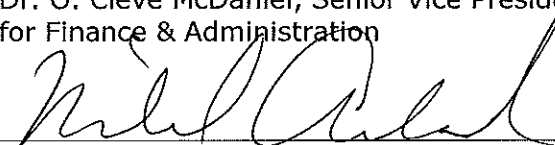
Dr. John J. Warwick, Interim Executive
Vice President for Research

10/28/08
Date




Dr. O. Cleve McDaniel, Senior Vice President
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Date




Dr. Michael J. Auerbach Interim Vice President
for Academic & Business Development

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Date



Dr. Kenneth E. Kunkel, Executive Director, DAS

11/03/08
Date



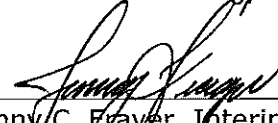
Dr. Paul S. J. Verburg, Acting Executive Director, DEES

10/29/08
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Dr. Michael H. Young, Acting Executive Director, DHS

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Jenny C. Frayer, Interim Director of
Sponsored Projects & Compliance

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