

MICHIGAN STATE UNIVERSITY

December 12, 2003

To: Deans, Directors, and Chairs

From: Robert J. Huggett, VP for Research and Graduate Studies

RE: Export Controls and Trade Sanctions

Recent events have raised awareness nationally of the importance of complying with U.S. export control regulations and trade sanctions. Export controls regulate the export of sensitive technologies, equipment, software, biological agents, and related data and services. Trade sanctions are foreign policy tools that prohibit individuals and organizations in the United States from engaging in trade-related transactions with specific countries and individuals deemed hostile to U.S. interests. The presence of foreign nationals (generally, non-U.S. citizens without green cards) on U.S. campuses as well as activities abroad of U.S.-based researchers is receiving increasing scrutiny from federal agencies that administer these laws.

Universities with a tradition and practice of operating an open research environment, such as MSU, need to pay particular attention to the fact that these laws also regulate disclosures to and transactions with foreign nationals that occur within the United States. These so-called "deemed exports" (which, if they involve regulated subject matter, can occur in something as innocuous as informal conversation, group discussion, or email with individual foreign national colleagues or students) can violate export controls and trade sanctions in the same way as an unauthorized physical transfer of a regulated item outside the U.S.

Violations of trade sanctions and export controls can result in criminal penalties: individual and/or institutional fines (up to \$1M per violation) and individual incarceration (up to 10 years per violation). It is the responsibility of all members of the MSU community to help assure the appropriateness of foreign nationals'

- 1) Access to certain dual-use technologies, articles, and other items regulated by the U.S. Department of Commerce under Export Administration Regulations (EAR),
- 2) Access to certain defense articles, defense services, and defense-related technical data that are regulated by the U.S. Department of State under International Traffic in Arms Regulation (ITAR),
- 3) Access to all classified technologies, articles, and services that are regulated by the U.S. Defense Security Service, or
- 4) Participation in collaborations that make payments to or provide "value" to countries that have been economically embargoed under U.S. Department of Treasury regulations.

It is important that MSU remain diligent and abide by these laws while continuing to fulfill its mission. My office with the General Counsel office and Contract & Grant Administration will help you remain in compliance. Inquiries regarding export controls and research-related trade sanctions should be directed to Cordell Overby (overby@msu.edu), sr. asst. vice president in my office. He will work with you to assess the impact of these regulations on your research.



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