

Conn. Firm Wins National Award for Facilitating Exports

SHIPMAN'S ATTORNEYS HELP BUSINESS CLIENTS NAVIGATE TRADE LAWS

By Michelle Tuccitto Sullo

When a business wants to start selling its products to other countries, navigating all the laws governing trade and exports can be tricky.

Not only do businesses have to learn about and comply with the U.S. rules and regulations, they have to know what the other country requires. Inadvertently breaking rules can result in hefty fines and penalties.

Companies big and small have turned to Shipman & Goodwin for assistance through the process, because expanding to an international market means a larger customer base and a better profit margin.

On May 18, the law firm received the President's "E" Award for Export Service at a ceremony at the U.S. Department of Commerce in Washington, D.C. It is the highest recognition a U.S. entity can receive for supporting and increasing export activity, and Shipman is the only law



U.S. Secretary of Commerce Penny Pritzker (left) presented Shipman & Goodwin partners Ross Garber and Glenn Cunningham with the President's 'E' Award for Export Service. At right is Arun Kumar, an assistant Commerce secretary for global markets.

firm to receive such recognition.

U.S. Secretary of Commerce Penny Pritzker presented the award to partners Ross Garber and Glenn Cunningham.

"The President's 'E' Award winners are outstanding American businesses and organizations that have played a crucial role in strengthening and growing our economy through

increased U.S. exports," Pritzker said.

The firm, which has offices in Connecticut and Washington, D.C., got inquiries from companies seeking to expand internationally that needed legal advice. In response, it set up a team of business lawyers, litigators and compliance counsel focused on helping companies expand their exports. The firm also provides

compliance training. “If you are going to export, you have to comply with all the U.S. rules and regulations,” Cunningham said. “If you have a product and you want to sell it in Australia, you need to know—what are the rules there?”

A business may need to have a local office in a foreign country or hire employees there, according to Cunningham. A company will need legal advice on how to set up an enforceable foreign contract.

Companies must comply with International Traffic in Arms Regulations, or ITAR, which are federal regulations regarding exporting materials which may have a defense component. If a business manufactures a part that is included in a larger machine, such as a military jet, ITAR rules apply. Connecticut companies such as Electric Boat, Sikorsky Aircraft and Pratt & Whitney are examples of businesses which fall into this category.

While the firm represents companies selling products in the aerospace and defense sector, where regulations are the strictest, it also represents companies selling commercial, nonmilitary products. “Connecticut has a lot of companies that sell products all over the world,” Garber said.

Companies that want to export have to determine if their product even can be exported, if they need a license, if they need a foreign contract, and if so, what should be in

it. They need to navigate such issues as national security and foreign taxes. If a dispute arises, the firm helps resolve it.

In addition to helping companies avoid the fines and penalties associated with violating U.S. rules, the firm also helps companies negotiate contracts governed by another country’s laws.

Cunningham, who is chairman of the firm’s business litigation and intellectual property practices, said the firm is a member of Interlaw, an international network of law firms located in more than 130 cities worldwide. When companies need legal advice on how to trade with a particular country, the Connecticut firm can get the companies connected with attorneys there.

“We give advice and connect companies with foreign law firms,” Cunningham said. “This helps companies sell more. If someone comes to us and wants a trade relationship with Singapore, I can call our contact there and get it started. The ability to reach out to other Interlaw firms around the world, especially when counseling clients on exporting and trade compliance, has been invaluable.”

The firm has seen a lot of interest and trade activity with countries such as Canada, Australia, China, Germany and Italy. Trading with some regions and countries is easier to navigate than others. It’s easier to do business in Europe, for example, than the Middle East or Africa.

“We are honored to receive this recognition and, more importantly, to be contributing to the efforts of our clients and the Commerce Department to sell goods to international markets,” said Garber, who heads the firm’s international trade practice.

The firm hosts seminars on exporting at its own offices and at special outside events, such as a recent aerospace summit in southeastern Connecticut. Attorneys also hold meetings to help companies with compliance issues. They also have webinars for exporters, on such topics as ITAR, sanctions, security and site visits, which have gotten hundreds of views. “There is quite a need in the marketplace,” Cunningham said. “If you know the international rules, you can trade more.”

A 2015 international trade survey of Connecticut businesses by the Connecticut Business & Industry Association showed 79 percent of companies surveyed are engaged in international trade.

“So many companies are expanding their marketplace by entering foreign markets,” Garber said. “We have clients who are big and small, and the goal is to help them expand their trade and exports in other countries without exposing them to unnecessary risk.” ■