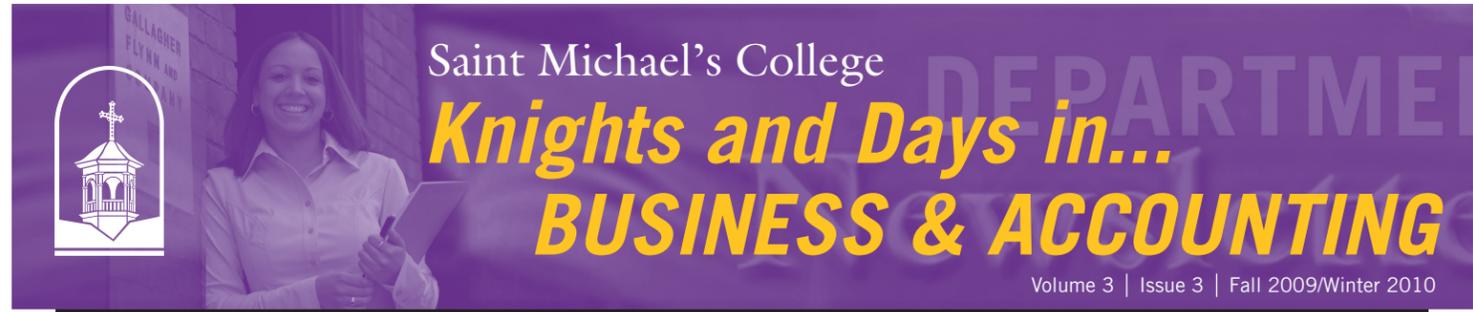




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A newsletter for students and alumni of Saint Michael's Department of Business Administration and Accounting

CHAIR'S MESSAGE: PROTECTIONISM'S SLIPPERY SLOPE

by Robert Letovsky, Ph.D.



Meanwhile, the days when officials can adopt economic policies that ignore the impacts on and reactions of other countries' governments are over.

The first few weeks of the Fall 2009 semester have provided us with a series of events that illustrate these realities. On September 11, the Obama administration announced that it would impose import duties of as much as 35 percent on Chinese passenger and light truck tires. This decision came after a determination by the U.S. International Trade Commission that a sharp increase in imports of Chinese tires, especially at the low-end of the market, had hurt U.S. tire manufacturers and caused thousands of layoffs at American tire factories. However, as the administration quickly discovered, today's increasingly integrated global economy leaves governments with very little latitude to shut its markets off from competition. Within 24 hours of the announcement out of Washington, the Chinese government announced plans to limit shipments of American-made auto parts as well as American chicken into the country, potentially threatening thousands of U.S. jobs in these industries. Nor does the potential economic impact of the Obama administration's decision stop there: The new U.S. tariffs on Chinese tires will, by cutting off almost 20 percent of all tires sold in America last year, result in significantly higher-priced tires for U.S. consumers, especially budget-conscious consumers who tends to be the main buyers of lower-end Chinese tires. One tire industry expert predicts that the new tariffs will increase prices for so-called "entry-level" tires (the kind purchased by recent college graduates for example and usually sold as private label tires in

As the world economy slowly tries to lift itself out of the recession, two things are becoming increasingly clear to businesspeople and government leaders around the globe: What happens in one country can affect firms and organizations in many other countries.

discounters such as Wal-Mart and Sears Auto-motive) by as much as 20 to 30 percent.

It's not only car and tire buyers on a budget who will feel the hit. In an integrated global economy, it should not be a surprise that a number of American-based tire manufacturers have plants in China where they produce low-end tires for sale in the U.S. Both Goodyear Tire & Rubber Co. and Cooper Tire & Rubber Co. brought more than 2.5 million tires into the U.S. from China last year and were aiming at increasing that to over four million next year. These firms will have to find new suppliers to replace the Chinese output, again at higher prices which will be passed right on to American buyers. Of course, as these firms' profitability declines as a result of the increased costs imposed on their Chinese imports, they will pay less in American income taxes over the next few years.

Fortunately, another characteristic of an integrated global economy is the presence of both international organizations where countries can iron out their trade differences, and the holding of frequent meetings between leaders where disputes can be talked about directly. China has already indicated that it will lodge a complaint against the U.S. tariffs at the World Trade Organization (WTO), the so-called "court of world trade." The WTO will investigate the American actions and rule if they are in violation of international trade agreements which the U.S. is a party to. At the same time, China raised the prospect of a trade war when the leaders of the world's main economies met in Pittsburgh, PA on September 20 at the G-20 summit.

Another indication of how an integrated global economy can affect us all in unanticipated ways concerns 'Buy American' requirements of the 2009 stimulus package enacted by the U.S last winter. When Congress authorized some \$370 billion in emergency spending on various infrastructure projects to stimulate the economy, it included so-called 'Buy American' requirements to ensure that taxpayer funds were spent on American made goods. The problem is, what is an American-made product today? An excellent illustration of this situation concerns wastewater

treatment plants, for which the stimulus plan set aside over \$6 billion in spending. However, we now see that a number of American firms cannot even bid on these projects, because even though the equipment they use is made in the U.S., it includes foreign-made parts and/or technologies. An example of this is small firm in Wisconsin, Aquarius Technologies Inc., that specializes in sewage treatment equipment. However, the industry leader in ultraviolet disinfection equipment, key to Aquarius' machines, is an American-owned company located in Canada. Due to the 'Buy-American' requirements of the stimulus package, this company had to move some of its production to a related firm in California, so that buyers of its ultraviolet technology could incorporate it in their machines and bid on U.S. government stimulus package-funded projects. This transfer, however, greatly increased the cost of the technology and effectively priced Aquarius out of the bidding process. Meanwhile, other American firms in the water treatment business are also shut out of the bidding process. General Electric Co., a leading American firm with sizeable operations here in Vermont, assembles complex wastewater-treatment systems in Canada with parts imported from Europe. The 'buy American' rules completely shut GE out of any stimulus packages.

Though this is bad for GE and its shareholders, it's even worse for American cities and towns that hope to use stimulus funds to modernize their water systems. By not being allowed to buy their treatment equipment from GE, these municipalities – and their taxpayers – face higher costs on much needed improvements. And, just as in the case of Chinese tires, American government officials are finding that other countries' officials pay attention to how we treat their exporters. Already, about a dozen Canadian cities are changing their purchasing policies to ban U.S. companies from bidding on city purchases. As Rick Bonnette, the mayor of a small town near Toronto said, "We won't be taking any products from any country that is discriminating against us."

The Department of Business Administration & Accounting has long recognized the importance

If you would like additional information, please contact Diana Hoppe at dhoppe@smcvt.edu

Sigma Beta Delta (SBD) is an International Honor Society whose objective is to honor outstanding academic achievement and scholarship by students studying business, management and administration. Established in 2003, the Saint Michael's College chapter is one of 250 chapters nationwide. Sigma Beta Delta's principles include wisdom (Sigma), honor (Beta), and the pursuit of meaningful aspirations (Delta).
To qualify for SBD, students must rank in the top 20 percent of their class and have completed approximately three-quarters of the program. Accepted students are chosen early in the Spring semester.

SIGMA BETA DELTA

Knights and Days in Business & Accounting is coordinated by Candice Arnold, MSA Graduate Assistant. The Department of Business and Accounting would enjoy hearing from you! Please feel free to share your comments with us at arnoldc2@smcvt.edu.

ACCOUNTING ALUMNUS EARNS NATIONAL FELLOWSHIP



This summer, Jessica Waterbury '09, Saint Michael's Accounting alum, was awarded a \$1,000 national Sigma Beta Delta Fellowship. Sigma Beta Delta (SBD) is an International Honor Society whose objective is to honor outstanding academic achievement and scholarship by students studying business, management and administration.

The society awards up to seven fellowships annually to assist exceptional Sigma Beta Delta members in continuing their education. Sigma Beta Delta Fellowship rules state that recipients must use the award to complete senior or master's level study in a business degree program at a regionally accredited college or university. Jessica will use this Fellowship to assist in funding her Masters of Accountancy degree at the College of Saint Rose, located just outside of Albany New York.

While at Saint Michael's Jessica was among the top students in her graduating class. In addition to being inducted in Fall 2008 as a member of Saint Michael's Chapter of Sigma Beta Delta, Jessica was an Honors Program graduate and was inducted into Phi Beta Kappa, Delta Epsilon Sigma, and Omicron Delta Epsilon (as an Economics minor). Jessica also received the Gallagher Flynn Award at the Business Department awards ceremony on May 6, 2009.

Director's Message continued...

of having graduates who are sensitive to trends in the global economy, and who can anticipate rather than merely react to changing developments abroad. One of the Department's stated student learning goals is to have students "develop a sensitivity for how external factors such as the global economy, international politics and ecological trends can impact a business or nonprofit organization's plans and operations." Based on data we have over the past five years, it seems our emphasis on this is having some impact. Since 2005-2006, the number of Accounting majors who study abroad has risen from one per year to seven, while the number of Business majors studying abroad has almost doubled, from 23 in 2003-2004 to 41 in 2008-2009. Each one of these students brings back with them the kind of perspectives and experience that will ensure that as future leaders and managers they are not insulated from the opinions, ideas and reactions of other countries, other cultures and other ways of seeing the world.



BU 355 TOURS FAHC TO LEARN ABOUT THE RADIOLOGY ONCOLOGY PROJECT

On September 16, business students from professor Karen Popovich's BU 355: Production & Operations Management class met with representatives from Fletcher Allen Health Center to learn about the Center's new radiology oncology project. This is a \$20 million state-of-the-art treatment center whose goal is to achieve Leadership in Energy and Environmental Design (LEED) certification.

According to the Vermont Cancer Center, the design features of the 23,000 square foot facility include many "green" cooling and ventilation innovations. These include: natural lighting composed of "green" construction materials and strategically placed skylights; the use of water-efficient technologies; and system to retain water. The project is scheduled to be completed by late summer or early fall 2010.

Left photo: Dave Keelty offers an overview of the 3D Model

Right photo: Dave Keelty, FAHC Project Manager with Saint Michael's College Business Seniors: Matthew Stone, Lindsay Horne, Lydia Heffernan, Cassie Rosano, Haley Leet, Jimmy Nguyen, Matthew Ruliera

A MESSAGE FROM THE ACADEMIC INTERNSHIP PROGRAM

By Joanne LaBrake Muehlberger, Internship Director

In today's world, it is crucial for all students to pursue an internship. This is an excellent way to strengthen your resume, build your professional network, and test the job market. If you are a junior or senior and have a 2.7 cumulative GPA, you can apply for an academic internship to fulfill one of your electives and earn three credits during the semester.

Planning begins in January for the summer and fall semesters. If you are interested in an internship the first step is to attend one of the informational meetings which are held in early January. When you return from Christmas break, please check your e-mail messages for the meeting schedule. For additional information, I encourage you to visit our Web site at www.smcvt.edu/ internship.

Making a decision to pursue an academic internship will be one of the best decisions you can make during your college career. I hope to see you at one of our meetings!

ALUMNI NEWS

Lindsey Levesque '09 recently became the administrative assistant/marketing support person for The Villa Augustina School, a private Roman Catholic affiliated school offering grades PK-8, located in Goffstown, NH.

Jorge Navarro '99 was accepted to the graduate school at Dalhousie University in Halifax, Nova Scotia where he will pursue a Master of Public Health Administration.

FACULTY PROFILE: Frank Farina



The Department of Business and Accounting welcomes Frank Farina as the new Assistant Professor of Business and Accounting. Professor Farina currently teaches BU 451: Auditing and BU 415: Federal Income Taxation and looks forward to teaching BU 450: Accounting Seminar and BU 457: Commercial Law next spring.

Professor Farina brings a wealth of knowledge and experience to the classroom. He earned a B.S.B.A. from Suffolk University, an M.B.A. from The George Washington University, and a J.D. from Georgetown University Law Center. Prior to completing his J.D., he was an adjunct professor at Georgetown University and George Washington University. After earning his law degree, Professor Farina spent 23 years working as an attorney and CPA. In 2008, he decided to return to the classroom, spending one year teaching at Albright College in Pennsylvania before coming to Saint Michael's.

When asked how his past experiences have prepared him to return to the classroom, Farina responded, "As a senior level professional, I have spent a lot of time teaching and training in the professional environment. Being a CPA and an attorney involves an extensive amount of research and public speaking, which are both critical skills needed to be a good professor."

Professor Farina is a licensed CPA in Virginia, New York, and Pennsylvania and is admitted to the bars of Pennsylvania and New York. He is also a Certified Bank Auditor and is a member of the American Bar Association, Pennsylvania Bar Association, American Accounting Association, and the American Institute of Certified Public Accountants.

Professor Farina is excited about his new role at Saint Michael's and is looking forward to putting a new spin on things. The way he teaches accounting today is slightly different from before. "I can now incorporate the 23 years of experiences practicing law into teaching accounting. Of

prime importance is emphasizing ethical standards," states Farina.

When asked what he enjoys most about teaching he replied, "Mentorship is part of my role as a full time professor and I enjoy helping students find their place in the profession."

Professor Farina says one of the challenges to returning to the classroom is the advancement of technology. "The delivery of information is quite different today than when I taught at Georgetown and George Washington in the 1970s. Back then, we didn't have PowerPoint presentations or websites," stated Farina.

Professor Farina has three adult children and resides in Burlington with his wife. An accomplished tuba player, Professor Farina is a past member of the Washington Redskins marching band and currently plays euphonium in the wind ensemble and jazz ensemble here at Saint Michael's. Professor Farina also enjoys biking and collecting comic books.

STUDENT PROFILE: Meagan Newell '10



Meagan Newell, from Cape Cod, Massachusetts fell in love with Saint Michael's during her first campus visit, because everyone on campus made her feel welcome. Now she is senior and is majoring in business and accounting and minoring in economics.

Early in her first semester, Meagan strategically planned her course of study. She began Saint Michael's with a head start by transferring eight advanced placement credits from high school. As a first year student, Meagan took seventeen credits per semester, which gave her the flexibility to have a lighter course load during her senior year, and which allowed her time for an internship. As well, Meagan took several courses that were outside of her major to enhance her Saint Michael's experience.

A stellar student, Meagan was recently inducted into Delta Epsilon Sigma, a National Catholic Honor Society for students with a Catholic tradition, as well as the Saint Michael's College Honors Program. One of the honors program requirements is to participate in an extended service trip, which is offered during college vacations.

Meagan is deciding whether to volunteer at the Humane Society in Utah or the soup kitchen in Maryland.

So far, Meagan's favorite course was Management and Organizational Behavior, which was taught by Professor Roger Putzel. The focus of this course was to learn to manage other people, give feedback, and deal with conflict among peers using a hands-on approach. The course included topics such as goal setting; planning; behavior modification; human factors in the organization; decision-making; and control. According to Meagan, "The structure of this course challenged students to step outside of their comfort zone when interacting with their peers."

Meagan feels conflicted about her impending graduation. She is excited to graduate from college, but is sad to leave Saint Michael's. Meagan stated, "I have really enjoyed my experience at Saint Michael's and will miss being so close to friends. Coming to Saint Michael's and meeting so many people, including staff, faculty and students, has opened my eyes into a new realm of possibilities. The close knit culture has challenged me to be a stronger student as well as a stronger person."

When asked what advice she would offer incom-

ing students, Meagan replied, "I would strongly encourage students to view their professors as an invaluable resource. Don't wait until after an exam to ask for help. Speaking with them beforehand is more beneficial".

Aside from her academics, Meagan was involved with the Equestrian Club during her junior year and is currently on the senior class gift committee.

