

Council Highlights



NATIONAL FOREIGN TRADE COUNCIL ADVANCING GLOBAL COMMERCE

August/September 2006 Issue

Word From the President

It is August, and along with feeling the heat, I must be feeling my age again. I seem to remember back in the day – apparently a long, long ago day – that trade was not a partisan issue. Of course, you had free traders and protectionists with most at points on the spectrum in between, but all points of view seemed to be represented within each party. Where you stood depended less on party affiliation than it did on where you were from – a farm state, a textile or steel producing region, a major port, and so on. The guiding foreign policy maxim of the post-war era, that politics stopped at the water's edge, appeared to apply equally to trade policy.

Today, we have abandoned that principle. A lengthening series of trade votes that were largely partisan recently culminated in the vote on the U.S.-Oman Free Trade Agreement, one the NFTC was deeply involved in. That vote was 221-205 with only 23 Democrats voting for it and 28 Republicans voting against it, but it didn't have to be that close. Oman is a small economy. The actual trade impact of this deal on the United States will be minimal for some time to come. The concessions the Omanis made were as good as those in other FTAs that passed easily. It is also an important ally in a difficult part of the world, like Bahrain, and the national security/foreign policy arguments alone should have made this vote a no-brainer.

So why was it so close? There were, as always, some issue-specific reasons – textile area representatives worried more about precedent than any immediate impact, for example – but there were fewer of those than usual (no sugar issue, no agriculture issues, no real Israel boycott issue). There should have been a happy ending to this one; instead it was a lot closer to the CAFTA vote

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NFTC Challenges Illinois Sudan Sanctions

On August 7 the NFTC filed a lawsuit in Federal District Court for the Northern District of Illinois to overturn the state's "Act to End Atrocities and Terrorism in the Sudan," thereby upholding the principle that the constitution reserves to the Executive Branch the exclusive right to conduct foreign policy, and that state and local governments are prohibited from imposing sanctions in cases such as this. At the same time the NFTC filed a petition for injunctive relief to prohibit enforcement of the law while the case is pending in federal court. The NFTC was joined as plaintiff by the boards of five Illinois public employee pension funds and two individual Illinois taxpayers who were able to demonstrate that they would incur irreparable harm if the law were implemented. than it was to Bahrain, which passed handily. From my point of view,

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Special points of interest:

- **USA*Engage Takes Trade Agenda to State Legislators Convened in Tennessee:** NFTC exhibited at the National Conference of State Legislatures...(Page 3)
- **NFTC Tax Lunch Forums Continue to Provide Access to Important Government Officials:** ... June and July, NFTC Tax Lunch Forums featured Steven Musher, and Robert Dilworth, U.S. Department of Treasury... (Page 4-5)

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NFTC Urges WTO Members to Restart Doha Round As Soon as Possible During Visit to Geneva

In the wake of the suspended Doha Round of multilateral trade negotiations, NFTC Vice President Mary Irace met with several WTO member delegations and senior officials in Geneva to convey NFTC support for restarting the Round in a direction that leads to a commercially meaningful agreement. Irace called the suspension of trade talks a deep disappointment, and she underscored that such a breakdown demonstrates a lack of political will and leadership when it matters most. She called for a return to the basics on the core objectives of the Doha Round, and stressed the need for more countries to step up and demonstrate commitment to open markets in services, goods, and agriculture industries in their respective countries.

During the course of a week long set of meetings, it was clear that many WTO members remain committed to an ambitious outcome, one that advances trade liberalization among major economies, however, many challenges abound. Several ingredients are viewed as key to restarting the trade talks in a forward direction – better US and EU cooperation on common objectives, broad-based agreement to core modalities on agriculture and NAMA — which leads to real and lasting liberalization, a new mindset that focuses on the win-win benefits of liberalization (instead of loopholes to avoid opening), and a continued emphasis on the need for an ambitious outcome, among other important elements.

The NFTC is hopeful that a “time out” will serve as a wake up call to WTO members, illuminating the risk of a failed Doha Round. The next several months are critical to reenergizing the Round and achieving the concrete progress needed on the outlines of a final package. The NFTC will continue to engage with WTO and US decision makers in pursuit of that goal. Toward that end, it will lead a panel session at the WTO annual forum in September and it will bring an NFTC delegation to Geneva in late October.

New Paper Released By NFTC on Benefits of Services Liberalization

On July 24, the NFTC released the latest in a series of reports related to the benefits of multilateral trade liberalization. This latest paper details the benefits of open services markets for both developed and developing countries. Among the reports findings are: 1) in virtually every country, the performance of the services sector can make the difference between rapid and sluggish growth; 2) sound regulatory systems and competitive services are increasingly critical to a country’s competitiveness in goods and agriculture; 3) developing countries have achieved major export gains in services markets; with over 50 developing and transition economies exporting more than \$1 billion in services each year; and 4) there is an urgent need to improve the level and quality of services market opening offers under the General Agreement on Trade in Services (GATS).

The report was delivered to services negotiators in Geneva. Copies of the report can be found on the NFTC website at www.nftc.org.

Ex-Im Bank Reauthorization Legislation Passes the House

An important milestone to reauthorizing Ex-Im Bank was reached during the last week of July when the House approved by voice vote HR 5068. The bill would provide a five year authorization of the Bank’s charter, also making changes to Ex-Im Bank’s economic impact procedures as well as enhancing small business support mechanisms within the Bank. All attention will turn to the Senate after the August recess to push for similar action before Ex-Im’s Charter expires at the end of September.

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Vietnam PNTR Legislation Moves Forward in the Senate while Russia WTO Accession Still Under Negotiation

During the past several weeks, steady progress has been made to enact legislation providing permanent normal trade relations (PNTR) status to Vietnam. Granting PNTR is necessary, in order for the United States to secure the full benefits of Vietnam's pending accession to the WTO, and to uphold its WTO commitments by providing most-favored-nation (MFN) treatment. Over the past several weeks, legislation has been introduced in both the House and the Senate to provide PNTR to Vietnam, and both bills have strong bipartisan support. Additional action was undertaken by the Senate last week when the Senate Finance Committee passed its PNTR bill on July 31 by a vote of 18-0.

As a steering committee member of the U.S. business coalition on Vietnam PNTR, the NFTC is lobbying actively for timely enactment of PNTR legislation this year.

On another important accession negotiation, talks continue between the U.S. and Russia to reach a bilateral market access agreement — an important element of the overall access package Russia needs to complete before acceding to the WTO. The NFTC expressed disappointment that, during the G-8 Summit St. Petersburg, the U.S. and Russia were unable to resolve the outstanding issues still holding up a commercially meaningful access agreement. Further progress is expected in the coming weeks.

USA*Engage Takes Trade Agenda to State Legislators Convened in Tennessee

USA*Engage exhibited at the National Conference of State Legislatures (NCSL) August 16-18, promoting engagement as opposed to state economic sanctions. This following the National Foreign Trade Council (NFTC) press conference the week prior, when Bill Reinsch formally announced that the NFTC had filed a lawsuit in federal district court challenging the constitutionality of the Illinois "Act to End Terrorism and Atrocities in the Sudan."

The main message for NCSL attendees was simple – there are more constructive, constitutional means of conducting foreign policy than imposing state economic sanctions. USA*Engaged reached out to state legislators, staffers, and a wide spectrum of other delegates to NCSL from across the country, explaining how legislation like that of the State of Illinois potentially counteracts measures taken at the federal level to implement a strong, coherent, and effective foreign policy.

Risk Management and the Global Workforce: What is Your Exposure?

The NFTC will host two full day seminars on issues related to global security and intellectual property and knowledge, supply chain management, business challenges in emerging markets, and to the protection of employees.

The keynote speaker will be Major General, US Army (Retired) James A. Marks who now is Senior Vice President-Intelligence and Language Programs at McNeil Technologies.

There will be additional speakers from the Department of State, The World Bank, Campbell Soup Company, EADS, Ernst & Young LLP, Full Circle International, Lockheed Martin and Vision Relocation Group.

The venues are: October 24, 2006 Philadelphia at the Union League Club and October 26, 2006 at the Sofitel Hotel, Lafayette Square, Washington DC.

For details on the agenda and registration see the NFTC website, www.nftc.org or contact Laura Morales at lmorales@nftc.org

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NFTC Tax Lunch Forums Continue to Provide Access to Important Government Officials

The well attended July Tax Lunch Forum was another opportunity for NFTC Tax Committee Members to discuss international tax issues with high ranking government tax officials. Steven Musher, Associate Chief Counsel (International –Technical), Internal Revenue Service, was the guest speaker at the July luncheon. NFTC members welcomed Mr. Musher’s comments regarding the significant amount of international tax guidance under way.



Steven Musher addresses tax committee members at July luncheon

Mr. Musher assured the NFTC Tax Committee that the dedicated employees of the IRS were working diligently on various projects despite the recent flooding of their Washington, D.C. offices. He and his colleagues have been relocated to different offices buildings in the district, but have not lost sight of the importance of their work.

In addition to his insights regarding regulation projects, Mr. Musher graciously invited luncheon attendees to provide comments on regulations whenever possible saying that interaction with business is the best way to compensate for being out of the private sector.

Mr. Musher indicated that guidance could be expected soon in the areas of the Services regulations, and IRC §901 (the allocation of foreign taxes under foreign consolidated regimes and hybrid entities), and §987 (the treatment of foreign currency transactions). He also indicated that the next set of regulations that are expected to be completed by the end of 2006 or early 2007 would be in the areas of IRC §367(b) (the carryover of tax attributes in international reorganizations), §959 (the exclusion for previously taxed earnings and profits), and Reg. §882-5 (the allocation of interest expense).

In order to assist taxpayers with two retroactive provisions that were included in the recent *Tax Increase Prevention and Reconciliation Act of 2005*: the temporary exception, i.e., look-through treatment (until 2009) from subpart F for dividends, interest, rents and royalties received by one CFC from a related CFC; and the amendment to the IRC §911 foreign earned income exclusion that limits the amount of the housing exclusion, Mr. Musher remarked that work had been started to provide guidance on both items. The NFTC has assisted with the IRC §911 work by putting the Treasury and the IRS in contact with third-party foreign housing experts. While the recent law change limits the amount of the housing exclusion, the Secretary has been given authority to adjust the limitation based on geographic differences in housing costs relative to housing costs in the United States.

Upcoming NFTC 2006 Tax Committee Fall Meeting

The annual NFTC Fall Tax Committee Meeting will be held in Washington, D.C., September 27th – 28th. The meeting will begin with a reception the evening of Wednesday, September 27th, continuing Thursday morning, September 28th, and will end with a reception and lunch. Eric Solomon, Assistant Secretary to the Treasury for Tax Policy, Designee, has been invited as the honored keynote luncheon speaker. *(continued on page 5)*

The National Foreign Trade Council is a leading business organization advocating an open, rules-based global trading system. Founded in 1914 by a broad-based group of American companies, the NFTC now serves hundreds of member companies through its offices in Washington and New York.

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The meeting will kick off with a panel of senior legislative tax staff moderated by Nick Giordano of Washington Council Ernst & Young. The panelists will discuss tax legislation and offer their forecast for the remainder of the 109th Congress and their predictions for the next session. Tax officials from the U.S. Treasury and the Internal Revenue Service will round out this year's agenda. For more information, contact Judy Scarabello, Vice President

NFTC Tax Lunch Forum Welcomes Senior Advisor to the Assistant Secretary for Tax Policy, Robert Dilworth

Robert Dilworth, the Senior Advisor to the Assistant Secretary (Tax Policy), at the U.S. Department of Treasury was the June Tax Lunch Forum speaker. Mr. Dilworth spoke to a large crowd of fans that know him from his tenure in Washington at major law and accounting firms and in his prior government services roles.

Mr. Dilworth provides research, analysis, and liaison regarding tax policy, tax legislation, Internal Revenue Regulations, and tax reform, and assists in the general coordination of related Office of Tax Policy activities. Of particular importance to NFTC members is Mr. Dilworth's current role advising the U.S. Treasury on international tax reform.

Mr. Dilworth's remarks were thought provoking, including not only references to the implications of various rules in the U.S. international tax regime (e.g., cross-crediting and the allocation of expenses), but also to what the definition of competitiveness should be for purposes of tax reform. What is more, Mr. Dilworth questioned whether the changes in the international tax area since 1997 made sense. While the direction that tax reform will take is unclear, it is certain that Mr. Dilworth will ask provocative questions.



Robert Dilworth address tax committee member at June luncheon

US-Bahrain FTA Enters into Force

President Bush issued a proclamation to implement the U.S.-Bahrain FTA as of August 1, 2006. Negotiations on the U.S.-Bahrain Free Trade Agreement began in January 2004 and concluded in May of that year. Implementing legislation for the agreement passed both the U.S. House of Representatives and the Senate in December 2005 and was signed by President Bush in January 2006.

Under the terms of the agreement all American consumer and industrial product exports to Bahrain will enter duty-free. Similarly, 98% of U.S. agricultural tariff lines will be eliminated with the remaining 2% phased out over 10 years. Bahrain becomes the fourth U.S. FTA with a Middle Eastern country following on the agreements with Israel, Jordan, and Morocco. The U.S. Congress is in the process of passing legislation implementing the U.S.-Oman FTA, and negotiations with the United Arab Emirates are underway as well.

INDIA: Capitalizing on New Opportunities Through Effective Human Resource Programs

In December 2005 the NFTC hosted seminars in doing business in India with emphasis on sourcing and retaining local talent and in understanding business practices, economic and political issues, and current legal and tax practices.

In November 2006 we will again host full day seminars in Chicago, Detroit, New York City and Santa Clara. Detailed agendas are being finalized and will be announced and posted to the NFTC website, www.nftc.org.

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U.S.-Oman Free Trade Agreement Passes House 221-205

On Thursday, July 20, 2006 the U.S. House of Representatives passed the U.S.-Oman Free Trade Agreement, sending the legislation on to the Senate, which previously voted in favor of the FTA by a 26 vote margin. Because all budget measures must originate in the House, the Senate expected to ratify the agreement before its summer recess on August 4.

NFTC/USA*Engage Prepares Comments to Proposed Export Control Changes on China

Washington, D.C. – The National Foreign Trade Council (NFTC) and USA*Engage are preparing written comments to the long-awaited proposal by the Commerce Department to amend export licensing requirements to China, which was published on July 7. The groups plan to express concerns about the purpose of the regulation, the tremendous compliance burden that this would confer on American companies, as well as the lack of real benefits to the proposed facilitation provisions contained in the regulation.

If implemented, the regulation would establish restrictions on 47 different categories of technology, ranging from bearings and telecommunications to aeronautical navigation equipment and certain types of lasers with the objective of preventing U.S. exports from going to military end-use. While such an objective is commendable, this unilateral control is extraordinarily unlikely to achieve any economic or security objectives. It will simply lead Chinese entities to buy listed products from alternative sources. Indeed, many of the products on the list are widely available – including some within China.

There are serious concerns over the burden that this regulation would have on individual companies. For instance, the regulation doesn't simply stipulate that exporters may not ship these products to China without a license; it instead indicates that China cannot be the *end destination*, effectively expanding the global reach of the export controls.

The regulations are already having a negative effect on the U.S.-China bilateral relationship. China has raised concerns regarding the proposal in prior bilateral forums, and it is likely to distract from larger geopolitical and economic issues that confront the two countries.

The proposal would also develop a list of verified Chinese end-users to facilitate exports where the United States is confident that they will not be put to military end-use. However, the use of such a 'white list' would impart a stigma on Chinese end-users that do not qualify under what is currently a vague and overly-restrictive standard.

This regulation is likely to have a wholly negative effect on American competitiveness in global markets. Given these consequences, companies would be wise to carefully review the prospective regulation and submit comments.

Advancing Global Commerce

The role of America in the world economy and the impact of international trade on the U.S. have never been more important. Leveraging its broad membership, expertise and influence, the NFTC is the only national business organization that exclusively advocates the international and public policy priorities of its members. From international trade, investment, tax, and export finance to human resource management, the NFTC's services and advocacy are a critical link for U.S. companies.

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Busy month for U.S.-Peru Trade Promotion Agreement

Following ratification of the U.S.-Peru Trade Promotion Agreement (PTPA) by the Peruvian Congress on June 28, consideration of the agreement in the United States has kept lobbyists busy.

The Senate Finance Committee held a hearing on the PTPA on June 29, featuring testimony from Assistant U.S. Trade Representative for the Americas Everett Eissenstat as well as representatives from the private sector.

The House Committee on Ways and Means also held a hearing on July 12, followed by an informal mark-up of the PTPA on July 20 in which the agreement was passed without amendment by a vote of 23-13. The Senate Finance Committee mock markup took place on July 27, but the Committee was unable to arrive at a final vote. Members of the committee did vote however to pass an amendment that would prevent the agreement from taking effect until Peru complied with the provisions they agreed to concerning beef. The vote is expected in the near future.

The Hispanic Alliance for Free Trade (HAFT), co-chaired by NFTC Senior Vice President Anne Alonzo, has been active in the legislative process. Alonzo, who traveled to Peru earlier this summer to promote the pending free trade agreement, has participated in leadership meetings and has begun to coordinate a grassroots advocacy effort in support of the PTPA. Also, HAFT member Daniel Jara, President of the Statewide Hispanic Chamber of Commerce of New Jersey testified on behalf of both his Chamber and HAFT regarding the benefits of the agreement for the Hispanic community.

Moving forward in the legislative process, it is vital that the NFTC, HAFT, and others demonstrate continued support for the PTPA. At stake in the Congressional vote, which will most likely take place after the November elections, is an agreement which would level the playing field for



Former Peruvian President Alejandro Toledo with HAFT co-chairs Anne Alonzo, NFTC and Brigitte Gwyn, Business Roundtable

Business Council Briefed on Outcome of FTA Talks with SACU; Extends Welcome to Eric Bost, Ambassador-designate to South Africa; Will Stephens of Johnson & Johnson Assumes Chair of U.S-South Africa Business Council

Assistant U.S. Trade Representative Flori Liser briefed the Business Council and the U.S.-SACU FTA Coalition on the outcome of the meetings in Pretoria between Deputy U.S. Trade Representative Karan Bhatia and Director General of the South African Department of Trade and Industry, Tshediso Matona at the end of April. The outcome of the meeting was to step back from efforts to negotiate a U.S.-SACU FTA before the year-end deadline dictated by the expiration of President Bush's Trade Promotion Authority (TPA) and to continue the plurilateral dialogue through a mechanism that the two governments are currently devising. The intent is to bring all parties together on the subjects the FTA is to include over a longer period of time so that newly elected presidents of the U.S. and South Africa in 2009 will have a head start on a successful negotiation. *(continued on page 8)*

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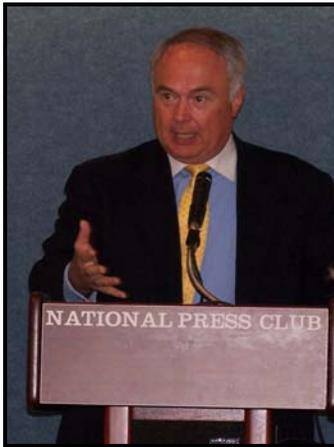
U.S.-South Africa Business Council
Rebuilding New Frontiers

The Business Council welcomes Eric Bost, the U.S. ambassador-designate to South Africa and will hold an event for member companies to meet him as soon as the full Senate confirms his appointment. Ambassador Bost is currently Under Secretary of Agriculture for Food, Nutrition and Consumer Services.

Robert Mallet, Senior Vice President of Pfizer, has completed his term as chair of the Business Council. The member companies and staff are very grateful to Robert for his able leadership. Will Stephens, Vice President, Johnson & Johnson, is the new chair. Mr. Stephens has extensive experience in South Africa and is a member of the NFTC Board of Directors.

NFTC Challenges Illinois Sudan Sanctions

The NFTC lawsuit, which is being litigated by Winston & Strawn, a Chicago-based firm, rests on the precedent of the U.S. Supreme Court's 2000 ruling in *Crosby v. NFTC* in which the Court held



that states may not enact economic sanctions on companies that go beyond what the federal government has already enacted. This was the case with Burma when Massachusetts passed its state sanctions, and it is the case now with Sudan. The Supreme Court based its decision in *Crosby* on the supremacy clause of the Constitution that the President must be able to pursue a coherent foreign policy, maintaining federal control of incentives and disincentives to achieve a national purpose. One of the reasons the NFTC has brought this lawsuit is that a national movement is supporting state capital market sanctions of the type enacted by Illinois. Similar statutes have been enacted in five other states and are pending in eighteen state legislatures. A favorable outcome to the NFTC Illinois suit will contribute to halting this movement.

Members interested in this lawsuit should contact Dan O'Flaherty at doflaherty@nftc.org.

USA*Engage Testifies in Support of UN Convention Against Corruption

NFTC President and USA*Engage Co-Chair Bill Reinsch delivered testimony to the Senate Foreign Relations Committee on June 21 in support of the UN Convention Against Corruption. Reinsch called on the Senate to quickly ratify the convention to ensure a level playing field for American business.

In his testimony, Reinsch emphasized the need for prompt action and a U.S. leadership role so that the treaty could be implemented in a way that will root out corruption and benefit American companies. This UN treaty is the first to address corruption on a global scale and would hold companies in places such as Brazil, China and Russia to many of the same standards to which U.S. firms are now bound.

Ratification of the Convention would require no change in U.S. law and essentially level the playing field for U.S. businesses by raising the bar for other countries. The Convention is non-controversial and has broad support from the American business community.

Copy of the testimony and other related documents can be found on the USA*Engage website. For more information, contact Jake Colvin at jcolvin@nftc.org.

...the need for prompt action and a U.S. leadership role so that the treaty could be implemented...

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Word From the President

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there is more than enough blame to go around, but the sad thing is all of it points to another lurch downwards in a partisan race to the bottom that has plagued the trade debate for some time, and the biggest loser is not the Republicans or the Democrats, but good trade policy.

House Republicans sometimes appear to be more interested in having trade be a partisan issue, with themselves being perceived as the free traders and the Democrats the protectionists, than in finding workable compromises. By focusing on the letter of the law regarding TPA's treatment of labor provisions, they miss opportunities to develop compromises that would do more to improve labor conditions in FTA countries and thereby help U.S. companies compete, since our competitors often treat workers worse than we do. Sometimes it seems like they've lost their taste for meaningful consultation with the Democrats, even those that agree with them, and, instead, pursue only the issues that have broad support within their caucus.

The Democrats, in turn, are so focused on the lack of consultation that they have trouble recognizing an effort to talk to them on the rare occasions when it actually happens. Substantively, having been unable to get into the Trade Promotion Authority bill language on labor rights they preferred, they have responded by examining each FTA candidate's domestic labor laws with the proverbial fine tooth comb and demanding changes if they deem them inconsistent with ILO conventions, and insisting that such changes occur before an FTA vote. That, in effect, tells the other country that we don't trust them to keep their promises and attempts to put them on a timetable that even the U.S. Congress would not be able to meet in similar circumstances, which leaves the other country deeply offended even if it wins the vote. It also allows Democrats to lose sight of the significant progress a country like Oman has made in labor reforms in a short period, progress which would likely not have occurred had it not been for the FTA negotiations. In short, for many Democrats, the perfect is becoming the enemy of the good. Further, their willingness to trot out tired and irrelevant issues, as they did in the Oman debate by raising the DP World ports acquisition once again, makes it harder to argue that they should be taken seriously.

...That vote was 221-205 with only 23 Democrats voting for it and 28 Republicans voting against it...

The Administration, for whatever reason, seems increasingly reluctant to deal with the Democrats in a timely way, which has only exacerbated the Democratic belief that they are not being taken seriously. The Administration's inability to adequately explain its refusal to include a Finance Committee unanimously recommended benign Democratic amendment in the FTA implementing bill severely and unnecessarily aggravated the situation and left all concerned with the feeling of being left on the sidelines. Its refusal to pay that small price now did not prevent a victory on Oman, but it guaranteed the Administration will pay a larger price later on legislation that matters more, such as TPA renewal.

And so, the cycle continues. Historically, the best way to break it is when one or more of the key parties leaves the Congress, or when control shifts from one party to the other. Either event presents an opportunity to turn the page and start a new chapter. This November the former will certainly happen, and the latter could happen. Let us all hope that the new chairman of the Committee – regardless of party – will take steps to break the cycle and restore bipartisan consultation and cooperation. There are too many important trade issues coming up to risk a continuation of the *status quo*.

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2006 Annual World Trade Dinner to be Widely Attended by Foreign Diplomatic Corps.

The National Foreign Trade Council (NFTC) 2006 Annual World Trade Dinner and Award Ceremony will be held at the Corcoran Gallery of Art on Tuesday, October 10, 2006. The night begins with a reception at 6:30pm, and is followed by the dinner and award ceremony at 7:30pm. Door prizes will be raffled after a speech from this year's keynote speaker.

This year's dinner will be widely attended by foreign Ambassadors who are delighted that the NFTC is bringing its signature event to the nation's capitol. Ambassadors from Russia, New Zealand, Costa Rica, Guatemala, and Nicaragua will join others from around the world at the 2006 World Trade Dinner.

This event has been held in New York City every year since the NFTC's inception. The DC community is ecstatic about the move, and this year's dinner is expected to have the highest turnout ever. For more information please contact James M. Schneiderman, Manager of Communications, Membership and Development, at (202) 464-2038 or by email at jschneiderman@nftc.org. To RSVP go to <http://www.nftc.org/default/world%20trade%20dinner%202006/RSVP%20Form.pdf>



**2006 Annual World Trade Dinner
and
Award Ceremony
Coming to Washington DC**

Tuesday, October 10, 2006

*The Corcoran Gallery of Art
500 Seventeenth Street, NW
Washington, D.C. 20006
Reception 6:30pm - Dinner 7:30pm
Black Tie
RSVP*

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New Members

The NFTC welcomes new HR member Global SantaFe Corporation. Global SantaFe is an international drilling contractor with engineering expertise and drilling management capabilities, and offers innovative alternatives for major drilling projects. The NFTC welcomes Global SantaFe, and looks forward to building a strong working relationship with this world class corporation.

Gulf South Forest Products, Inc. joined the NFTC in July with a Trade and Export Finance membership. Headquartered in Ft. Lauderdale, Fl., Gulf South has been providing top quality forest products and building materials to a broad customer base for over 82 years. The NFTC is proud to Gulf South's new membership, and looks forward to working with this well established company.

Qorvis Communications, LLC joined the NFTC in July, and is also proudly sponsoring a dinner table at this year's World Trade Dinner. Based in the greater Washington DC region, Qorvis is one of the largest-independently owned public relations firms in the area. The NFTC proudly welcomes Qorvis as one of its newest Trade and Export Finance members, and hopes to build on an already strong working relationship.

Synopsys Incorporated joined the NFTC as an HR member in July. Synopsys is a high tech firm that conducts technology consulting, and provides innovative products and solutions in electronic design automation for a global customer base. The NFTC welcomes Synopsys to its long list of established member companies.

USA*Engage Takes Trade Agenda to State Legislators Convened in Tennessee

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Feedback from individuals at the exhibit was mostly positive, and a number of legislators and business people from Illinois affirmed their support for the NFTC and USA *Engage in standing up against the unconstitutional legislation.

The USA*Engage exhibitors also informed NCSL attendees as to its advocacy efforts toward engaging Cuba in a more constructive manner. A longstanding economic embargo, without any formal diplomatic dialogue between the United States and Cuba, has clearly resulted in a perpetual foreign policy failure. There are better ways to promote democracy and human rights than economic and diplomatic isolation.

USA*Engage has long stood against unilateral economic sanctions, and has been one of the foremost trade associations advocating against the Cuban embargo. The essence of USA *Engage's message was best summed up on the backdrop of its exhibit, which read,



*The essence of USA *Engage's message was best summed up on the backdrop of its exhibit, which read, "dialogue delivers."*



Council Highlights- Calendar of Events

| Date | Event | Location |
|-----------------------|--|---------------------|
| September 7, 2006 | USA*Engage meeting with Assistant Secretary of State for Economic Affairs Dan Sullivan | Washington, DC |
| September 8, 2006 | Trade Committee Meeting With Stephen Schaefer, Chief International Trade Counsel | Washington, DC |
| September 12-14, 2006 | Expatriate Management Committee (EMC) Meeting | New York, NY |
| September 12, 2006 | Trade Committee Meeting with Assistant USTR Tiffany Moore | Washington, DC |
| September 26-28, 2006 | International Assignment Management Committee (IAMC) Meeting | San Francisco, CA |
| September 27, 2006 | NFTC Dinner at the Embassy of Saudi Arabia | Washington, DC |
| September 27-28, 2006 | Fall Tax Committee Meeting | Washington, DC |
| September 26, 2006 | NFTC Panel Session at WTO Public Forum | Geneva, Switzerland |
| October 10, 2006 | Annual World Trade Dinner and Award Ceremony | Washington, DC |
| October 10, 2006 | NFTC Annual Meeting | Washington, DC |
| October 10, 2006 | Board of Directors Meeting | Washington, DC |
| October 12, 2006 | International Benefits Committee (IBC) Meeting | New York, NY |
| October 17, 2006 | Global Benefits & Compensation Seminar | New York, NY |
| October 17-20, 2006 | NFTC Doha Round Working Group Visit to Geneva | Geneva, Switzerland |
| October 18 2006 | Global Benefits & Compensation Seminar | Chicago, IL |
| October 19, 2006 | Global Benefits & Compensation Seminar | Houston, TX |
| October 24, 2006 | Risk Management & the Global Workforce Seminar | Philadelphia, PA |
| October 26, 2006 | Risk Management & the Global Workforce Seminar | Washington, DC |
| November 2, 2006 | Tax Steering Committee Meeting/Tax Lunch Forum | Washington, DC |
| November 8, 2006 | India: Update on Business & Human Resources Seminar | New York, NY |
| November 10, 2006 | India: Update on Business & Human Resources Seminar | Detroit, MI |
| November 11, 2006 | India: Update on Business & Human Resources Seminar | Chicago, IL |
| November 16, 2006 | India: Update on Business & Human Resources Seminar | Santa Clara, CA |
| December 6, 2006 | Tax Steering Committee Meeting/Tax Lunch Forum | Washington, DC |
| December 6, 2006 | Global Mobility Seminar | Cleveland. OH |

Note: The Tax Steering Committee Meetings, SACU FTA Chapter Briefings, Expatriate Management, Global Compensation, International Assignment Management, and International Benefits Committees are by invitation only. For information about them contact James M. Schneiderman, (202) 464-2038, e-mail jschneiderman@nftc.org.

Council Highlights

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