

# News For Our Members



NATIONAL FOREIGN TRADE COUNCIL ADVANCING GLOBAL COMMERCE

February/March 2006 Issue

## Word From the President

Those of you who know me know that I don't always agree with the current Administration, but on the current flap over Dubai World taking over a British company providing port services to six U.S. ports, the President's message is right on target..

For those of you who haven't tuned in to this controversy, the Committee on Foreign Investment in the United States (CFIUS) has approved Dubai Ports World's takeover of Peninsular & Oriental Steam Navigation Co., a British firm which runs terminals and provides port services in six U.S. ports on the East and Gulf coasts, among other places. This has produced an outcry in the Congress because of fears that a UAE company taking over port operations will compromise our security. Several members of Congress have rushed to introduce legislation to prohibit foreign companies from owning port operations, conveniently forgetting that the current owner is a UK company and that many other U.S. terminal operations are run by other foreign corporations.

The President has pointed out quite correctly that the UAE

has been an ally in the war against terrorism, has cooperated with the Department of Homeland Security on port security issues. Nobody cares about the security of our critical infrastructure more than the business community. It is our lifeline to international trade. However the real issues surrounding port security are related to the proper selection of personnel at the ports and proper procedures for inspecting cargo, which necessarily involves close cooperation with the Department of Homeland Security. Ownership of the management company is not a decisive factor, particularly when it appears there will be few if any changes in actual on site personnel and procedures. In fact, the most important issue may well be tight security at the front end – when the cargo is loaded on to the ship at the foreign port – which is why DHS has spent so much time working with other countries to beef up everybody's port security.

But the issue goes farther and deeper than security at these six ports, important though that is. The UAE has cooperated with the United States in

*(Continued on Page 9)*

## NFTC Calls on Congress to Look at Real Port Security Threats, Not Ownership Issues

*Bill Reinsch offers testimony before the House Committee on Financial Services, Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.*

On March 1st the National Foreign Trade Council President Bill Reinsch expressed the group's support for the Administration decision to allow United Arab Emirate-owned Dubai Ports World to acquire a company responsible for operations in six American ports.

Emphasizing the importance the American business community places on port security, Reinsch drew the Subcommittee's attention to the historic role of foreign-owned businesses in American port operations.

"Port terminal operations have been substantially foreign-owned for some time without complaint. It appears that the problem this time is not with foreigners in general but with specific foreigners," Reinsch stated. He then characterized this differentiation as a very negative message to U.S. allies in the Middle East.

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## Special points of interest:

- NFTC VOICE OF REASON ON DUBAI PORTS AND CFIUS REFORM (PAGES 1 & 5)
- MIDDLE EAST FREE TRADE NEWS — CAUCUS LAUNCH OMAN FTA (PAGE 3 & 4)

## Inside this issue:

- WINTER TAX COMMITTEE MEETING (PAGE 2)
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# International Tax

## 2006 Winter Tax Committee Meeting Held in Savannah, GA

For the first time, the 2006 Winter Tax Meeting was held in Savannah, GA at the Mansion on Forsythe Park. The meeting site changed to the east coast in 2005 in an effort to increase attendance. This year, the meeting was moved up to February (and became the Winter Meeting) to reduce conflicts with other meetings and conferences typically attended by NFTC members. Meeting attendees enjoyed the meeting kick off event, a Thursday night wine tasting reception hosted by the OECD Washington Center. Sandra Wilson, Head of the Center, provided a brief introduction.

This year's agenda included Administration officials from the IRS and Treasury, Hal Hicks, International Tax Counsel, Department of the Treasury, and Frank Ng, Director, International, U.S. Competent Authority, IRS. The Administration officials were joined by outstanding private sector speakers that made significant contributions to the discussions. Panels were established to reflect the NFTC Tax Working Groups that were established in 2005; the Tax Treaty Working Group, the Non-U.S. Issues Working Group, the Legislative Working Group, and the Regulatory Working Group.

Panels on current international topics were also part of the agenda. Phil Morrison, of Deloitte Tax LLP, partnered with Hal Hicks to dis-



IRS Competent Authority Update Speaker, Frank Ng, Acting Director, International, U.S. Competent Authority, Internal Revenue Service

Phil Morrison, of Deloitte Tax LLP, partnered with Hal Hicks to discuss the international implications of fundamental tax reform including the renewed interest in a territorial tax system as a result of the report issued by the President's Advisory Panel on Federal Tax Reform. Fred de Hosson, of Baker & McKenzie LLP Amsterdam, provided interesting insight into the direction being taken in decisions by the European Court of Justice. Another highlight of the meeting was the OECD Update provided by Sandra Wilson and Mary Bennett, Head of Division, Tax Treaty, Transfer Pricing & Financial Transactions Division (formerly of Baker & McKenzie LLP in Washington, DC). Once again, the agenda did not fail to deliver on its promise to provide an information packed meeting.



Mary Bennett—Head of Division, Tax Treaty, Transfer Pricing & Financial Transactions Division, OECD Committee on Fiscal Affairs

Based upon attendee reaction, the meeting was a big success; the educational and networking opportunities were excellent and the NFTC members who attended enjoyed themselves. The event again provided an excellent opportunity for NFTC members to discuss issues of interest with government officials and Congressional Hill staff. Hearing from the impressive list of speakers was complimented by the opportunity to get better acquainted in an informal setting.

For information on next year's Winter Tax Meeting or to provide comments on this year's meeting, please contact Judy Scarabello, Vice President for Tax Policy, [jscarabello@nftc.org](mailto:jscarabello@nftc.org) or the NFTC website, [www.nftc.org](http://www.nftc.org).



Fred de Hosson—Baker & McKenzie LLP Amsterdam



Philip Morrison—Deloitte Tax LLP and Hal Hicks—International Tax Counsel, U.S. Treasury, Tax Committee Winter Meeting Speakers

## News For Our Members

### House Launches Middle East Economic Partnership Caucus

To strengthen economic relations and increase trade with moderate Middle Eastern countries a bipartisan group of House lawmakers launched the Congressional Middle East Economic Partnership Caucus (MEEPC) on February 15. The caucus' six co-chairs, U.S. Reps. Phil English (R-PA), Paul Ryan (R-WI), Darrell Issa (R-CA), William Jefferson (D-LA), Gregory Meeks (D-NY) and Ben Chandler (D-KY), were joined by U.S. Trade Representative Rob Portman during their announcement of the Caucus.

In 2003, the Bush Administration announced its proposal to establish a U.S.-Middle East Free Trade Area (MEFTA) by 2013. Since then, the U.S. has been working closely with countries in the region to promote economic ties and security relations - initiatives that echo recommendations included in *The 9-11 Commission Report's* strategy to counter terrorism. America's dialogue in the Middle East has deepened, helping to secure bilateral free trade agreements with Jordan, Israel, Morocco, and most recently Bahrain. The MEEPC will work in tandem with MEFTA to strengthen and deepen economic ties with those countries in the Middle East and Maghreb regions that create a foundation for openness and economic growth. The U.S.-Middle East Free Trade Coalition worked closely with House members in the launch of this caucus and will work with it to promote free trade initiatives in the Middle East.

### The NFTC Testifies at the February Senate Foreign Relations Committee Tax Treaty Ratification Hearing

As promised, the Senate Foreign Relations Committee held an early 2006 Tax Treaty Ratification Hearing. Bill Reinsch, NFTC President, testified at the February 2, 2006 hearing. He commended early ratification of the tax agreements under consideration, a tax treaty with Bangladesh and protocols with France and Sweden. His remarks followed those of Tricia Brown, Deputy International Tax Counsel, Treaty Affairs, Department of the Treasury, and Thomas Barthold, Acting Chief of Staff, Joint Committee on Taxation.

The agreements contain important provisions to eliminate the risk of double taxation furthering the trend of the administration to open trading relationships around the world. The tax treaty with Sweden included a reduction in the parent-subsidiary dividend withholding rate to zero. Eliminating the withholding tax on cross-border transactions advances the standard for future U.S. treaty negotiations. The move to eliminate related party dividend withholding is another important step in the standard set in recent agreements between the U.S. and the United Kingdom, Australia, Mexico, Japan, and the Netherlands.

The NFTC has been a long-time advocate of removing the withholding tax on parent-subsidiary dividends. Without a zero rate, the combination of the underlying corporate tax and the withholding tax on the dividend will often leave U.S. parent companies with an excess of foreign tax credits that are unusable. The result is that cross border investments have a lower rate of return putting U.S. companies at a competitive disadvantage when compared to their foreign counterparts that are not subject to the additional tax.

The agreements considered at the hearing reflect current tax treaty policy, and in the case of the French and Swedish agreements, update the existing tax treaties. The tax treaty with Bangladesh reflects a new tax treaty relationship for the United States. As a modernizing nation, Bangladesh offers American business an important starting point in a growing economic relationship. It will promote the expansion of trade between our two countries.

The Senate Foreign Relations Committee must approve the agreements before they move to the Senate floor for approval. The Committee will make a recommendation regarding the agreements and they will be reported to the Senate floor where they must be passed by two-thirds of the members present. The final phase of the ratification process involves exchanging instruments of ratification with Sweden, France and Bangladesh before the agreements become effective.

**"I also want to thank the U.S.-Middle East Free Trade Coalition headed by the NFTC, the National Foreign Trade Council, who are so great on trade . . . for their support and their leadership in launching the Caucus today."**

*- U.S. Trade Representative Ambassador Rob Portman at the launch of the Middle East Economic Partnership Caucus on February 15, 2006*

### Business Council Meets with South African Trade Delegation on Free Trade Agreement, and on Black Economic Empowerment; Second Circuit Court of Appeals Hears Arguments in Apartheid Lawsuits

On February 21 the Business Council hosted a luncheon for Tsediso Matona, the Director General of South Africa's Department of Trade and Industry, on prospects for completing negotiations of the U.S.-SACU free trade agreement before the end of this year. NFTC president Bill Reinsch and Will Stephens of Johnson & Johnson, chair of the Business Council-sponsored coalition supporting the FTA talks, wrote President Bush on January 26 urging their completion. On February 13 Congressmen Rangel and Flake also wrote the President urging the Administration "to redouble its efforts to complete this free trade agreement." The two sides are planning to meet in March or early April and the Business Council and coalition will be briefed before and after by senior USTR officials.

The Business Council also held a meeting on February 21 with Polo Radebe, the trade ministry official in charge of drafting the black economic empowerment "code of good practice." The purpose of the meeting was to urge South Africa to provide clear "equity equivalents," or offsets that can be used instead of selling equity to a black empowerment group. This critical issue for U.S. investors in South Africa will be further emphasized in Business Council meetings in Pretoria in March. The Business Council coordinates closely on all these issues with the American Chamber of Commerce in Johannesburg.

The Second Circuit Court of Appeals in New York heard oral arguments on January 24 in the lawsuits filed in 2002 against U.S. companies present in South Africa during apartheid. These cases, filed under the Alien Tort Statute, were dismissed last year by Federal District Court. The three-judge panel that heard the appeal is expected to rule this summer. Members interested in these issues should contact Dan O'Flaherty at [doflaherty@nftc.org](mailto:doflaherty@nftc.org) or Matthew Mullin at [mmullin@nftc.org](mailto:mmullin@nftc.org).

### US-Oman FTA Signed, Senate Finance Holds Hearing

The US-Oman Free Trade Agreement was signed in Washington, DC on January 19. Under the terms of the agreement, all consumer and industrial products will immediately become duty-free, allowing U.S. exporters to build upon the existing trade relationship with Oman. The agreement also will lock in a predictable legal framework for U.S. investors, which is key for future investment and growth in the region. The U.S.-Middle East Free Trade Coalition is urging Congress to move quickly to approve the agreement. The Senate Finance Committee Subcommittee on International Trade held hearings on the accord on March 6. House hearings are hoped to follow soon after. The likely driving force behind scheduling House action will be consultations between the Sultanate of Oman and Congress over the specifics of Oman's labor laws.

Oman is a likely market for U.S. oil and gas equipment and services, transportation equipment, water and environmental technology, medical equipment, electrical and mechanical equipment, power generation and transmission equipment and services.

Negotiations continue on the **U.S.-United Arab Emirates Free Trade Agreement** and the fourth formal round of talks took place in London in the end of January, 2006. Negotiators continued to work toward consensus in remaining areas of difference in investment, market access and services and both sides have reiterated their commitment to achieving a high standard free trade agreement. The next round of negotiations will be scheduled shortly.

## News For Our Members

### USA\*Engage Participates in Cuba Summit, Advocates New Approaches

USA\*Engage has stepped up its campaign to urge lawmakers and the administration to reconsider unilateral U.S. sanctions in light of controversy over a recent meeting of U.S. businessmen and Cuban officials in Mexico City.

USA\*Engage co-sponsored the U.S.-Cuba Energy Summit, held February 2-4 in Mexico City by the U.S.-Cuba Trade Association. USA\*Engage Director Jake Colvin participated in the meetings, which had to be moved to another hotel after the U.S. Government informed Starwood Hotels and Resorts that Cuban officials were staying at its Mexico City property in violation of the U.S. embargo.

Colvin called the application of sanctions in this case “counterproductive” in an op-ed published on February 9 in the Miami Herald. He also said that they “limit [ ] our ability to project democratic values and advance U.S. foreign-policy goals” by attempting to choke off all contact with Cuba.

Separately, NFTC President Bill Reinsch wrote a letter to Treasury Secretary John Snow on February 7, asking the Department to “rethink how it applies sanctions in light of this recent controversy.” In the letter, Reinsch argued that the “extraterritorial measures put the reputation of U.S. companies and their brands in jeopardy,” as U.S. firms are painted as unreliable suppliers of goods and services.

USA\*Engage will continue to highlight the unintended consequences and diplomatic headaches that this latest incident represents, as well as to urge Congress and the Administration to reconsider the failed sanctions on Cuba. USA\*Engage will support legislation this year to modify the sanctions and encourage greater cultural and economic engagement.

For additional information, contact Jake Colvin at [jcolvin@nftc.org](mailto:jcolvin@nftc.org).

### USA\*Engage Explores Possible Lawsuit over State Sanctions on Sudan

On January 23 the USA\*Engage Steering Committee agreed to recommend to the NFTC board that, if funding were forthcoming, the NFTC should proceed with a lawsuit seeking to overturn sanctions measures against Sudan passed by state legislatures. The most likely target of a lawsuit is the Illinois “Act to End Atrocities and Terrorism in the Sudan,” which went into effect on January 27. This statute requires Illinois state pension funds to divest holdings of companies with direct or indirect business ties to Sudan, and to seek certifications from clients, business partners, and subsidiaries that they are not involved. Those who cannot provide such certification are designated “forbidden entities,” and their shares must be divested. Similar legislation has passed in New Jersey and Oregon, and is pending in 15 state legislatures. In 2000 the Supreme Court overturned the Massachusetts Burma law in a case brought by the NFTC. The Illinois Sudan statute appears to be covered by that precedent. Members interested in this case should contact Dan O’Flaherty at [doflaherty@nftc.org](mailto:doflaherty@nftc.org).

### NFTC Calls on Congress *(Continued from Page 1)*

“Those who oppose this acquisition are implying that it doesn’t matter if you cooperate with us on fighting terrorism and on other matters; it doesn’t matter if you are negotiating a free trade agreement with us; it doesn’t even matter if you have donated \$100 million to Katrina relief as the UAE has; we’re going to treat you as a terrorist-supporting nation anyway.” Shifting his focus to CFIUS reform proposals, Reinsch described the current system as both effective and appropriate. “The United States has historically followed – and benefited greatly from – an open investment policy. The CFIUS process was created to permit government intervention for compelling national security reasons. Congress wisely chose to insulate the process from politics and publicity both because of the sensitivity of the data about an acquisition the government would be obtaining and because of the sensitivity surrounding any national security issues that were identified and any solutions proposed to address them.” He went on to discuss the merit of individual reform proposals and concluded by cautioning that changing the CFIUS approach should only be undertaken with the greatest care.

A copy of Bill Reinsch’s full testimony is available on the NFTC website at <http://www.nftc.org/default/tCFIUS.doc>.

## International Trade & Finance

### Ambassador Bhatia Speaks to NFTC Trade Committee at Meeting on 2006 Priorities

USA\*ENGAGE

*USA\*Engage is a coalition of small and large businesses, agriculture groups and trade associations working to seek alternatives to the proliferation of unilateral U.S. foreign policy sanctions and to promote the benefits of U.S. engagement abroad.*

On January 24, members of the NFTC International Trade and Finance Committee met to approve the Council's 2006 priorities. Deputy USTR, Ambassador Karan Bhatia, was a guest speaker at the Committee meeting. He shared his perspective on the range of issues in his portfolio, especially with respect to the US-China trade relationship.

With a very busy trade agenda anticipated in 2006, Committee members approved a set of priorities that focus on four key areas: 1) the multilateral Doha Round of WTO negotiations; 2) the negotiation and approval of key free trade agreements (FTAs); 3) other important legislative issues ranging from visa policies to trade with China; and 4) export finance issues, including the reauthorization of Ex-Im Bank in 2006. On the Doha Round, the NFTC will continue to lead its five-year effort in support of a high level of ambition as its key negotiating objective, primarily under the aegis of its Doha Round Working Group. The NFTC will push hard for such an outcome by the end of 2006.

On the FTA front, the NFTC will continue its leadership on FTAs with the Middle East under its US-MEFTA Coalition. In that regard, Congressional approval of the recently-concluded Oman FTA will be at the top the list. The NFTC plans to be actively engaged in supporting the passage of other concluded or about-to-be concluded FTAs with Peru, Colombia and Panama. Another FTA priority will focus on newly-launched FTAs with Korea and potentially Malaysia, with a goal of seeking high-standard, comprehensive and commercially viable agreements.

The third priority area will address important trade issues of concern to NFTC members and the potential for congressional action in 2006. High on this list is the US-China trade relationship and WTO accession negotiations with Russia and China. The NFTC will continue to lobby actively on these issues in support of its member interests.

On export finance issues, the two top issues will be to ensure the successful reauthorization Ex-Im Bank's Charter in 2006 and to continue to oppose a pilot project at the World Bank that would be counter to effective, transparent and high standards on procurement in developing countries. For additional information contact Mary Irace at [mirace@nftc.org](mailto:mirace@nftc.org).

### NFTC Meets with Chairman-Elect of Ex-Im Bank and Industry on Reauthorization of Ex-Im Bank

The NFTC and a core group of its members have begun to map out a strategy for the successful reauthorization Ex-Im Bank Charter before its expires at the end of September. A range of issues are likely to be part of the reauthorization process in Congress. Many believe a successful industry strategy will involved both an offensive as well as defensive approach. As part of its advocacy campaign, the NFTC will work closely with CEE and other business groups to educate Congress on the importance of Ex-Im Bank to US global competitiveness and exports. Close attention will be paid to potential amendments and proposals which would serious undermine the Bank's competitiveness such as overly burdensome economic impact requirements or attempts to turn Ex-Im Bank into an agency that is protecting imports to the detriment of US exports and national economic interest. For more information contact Mary Irace at [mirace@nftc.org](mailto:mirace@nftc.org).

### NFTC Calls for Real Progress on Doha Negotiations at G-6 Meeting

**Washington, DC** - With time for the successful completion of an ambitious Doha Round growing short, the National Foreign Trade Council today called on the ministers of the G-6 - Australia, Brazil, the European Union, India, Japan, and the United States - to make real progress in the negotiations.

"With the April 30<sup>th</sup> deadline quickly approaching and time running out overall, the National Foreign Trade Council urges the G-6 Ministers to achieve real progress at their upcoming meeting in London," said Mary Irace, NFTC's Vice President of Trade and Export Finance. "There is an enormous opportunity to bolster economic growth worldwide by seizing hold of the promise of the

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(continued) enormous opportunity to bolster economic growth worldwide by seizing hold of the promise of the Doha Round through substantial commitments to opening markets and improving trade rules. It is time to get the job done," she added. Later this month, the NFTC will bring a delegation of its members to Geneva to convey its support for substantial results to the Doha Round – its eighth visit to Geneva since the Round was launched. We firmly believe the Doha negotiations present a vital opportunity to tackle important trade barriers multilaterally that hinder growth and development. For the trade talks to succeed, both developed and developing countries must be prepared to make an important contribution," stated Irace. "We hope that all six nations are entering this meeting in London with a real commitment to making progress and that they are ready for serious bargaining. The EU and Japan need to be prepared to offer significant new market access opportunities in agriculture. The US needs to make a bigger effort at reducing trade distorting domestic agricultural support. And, India and Brazil must be willing to demonstrate more clearly that they are prepared to address trade in manufactured goods and services in a manner which results in new market access opportunities for foreign suppliers," according to Irace.

### International Human Resource Conferences-New York City and Santa Clara, California

The NFTC will be hosting international human resource conferences in New York City (June 14-15, 2006) and in Santa Clara (July 26-27, 2006).

The conference theme is on Strategic Global Workforce Management; the program will include sessions led by senior corporate human resource executives and other subject-matter experts from major accounting and law firms as well as from international insurance companies. Topics includes:

- Global Corporate Governance: Ignorance Is Not Bliss
- BPO and HRO: Offshoring and Multishoring
- Global Total Rewards: Issues and Answers
- The Avian Flu Pandemic: Understanding & Preparing for Global Disruption
- Updates on China and India
- Sourcing, Recruiting and Retaining Global Business Talent
- Managing Business-Sponsored Immigration
- IHR Issues in Hot & Cold Places (Asia, Central Europe, the Middle East, Russia...)
- Global Mobility Management-Policy, Process and Program Management-Lessons Learned
- IT and IHR-What is Available Today?

### NFTC Doha Round Working Group Delegation Visit to Geneva in March

The NFTC Doha Round Working Group will bring a 12-member delegation to Geneva the third week of March for an intensive three-day set of meetings. The delegation will meet with leading WTO Ambassadors from Asia, Latin America, and Africa for a frank exchange of views on the elements of a successful conclusion to the Doha Round. The delegation also expects to meet with Director-General Pascal Lamy and other senior officials of the WTO Secretariat. The delegation will be led by the two Co-Chairs of the Working Group – Scott Miller, Director of National Government Relations for Procter & Gamble and NFTC Vice President, Mary Irace.

The NFTC plans to convey key US community business views on the current state of the Doha Round. This will include a realistic assessment of the US political landscape and the need for substantial trade liberalization, i.e., a high level of ambition, as the chief outcome of the Doha Round to ensure business support and enthusiasm for the final agreement. The NFTC will also push for concluding the negotiation in 2006, particularly because the trade talks will potentially drift and languish if the negotiation is not concluded before the July 2007 expiration of US Trade Promotion Authority.

Just prior to the visit, the NFTC will release another study touting the potential benefits from an ambitious outcome to the Round. The latest paper will focus on the strong benefits of services liberalization for developing countries. For additional information contact Mary Irace at [mirace@nftc.org](mailto:mirace@nftc.org).

# News For Our Members

## New Members

### Environmental Solutions and Technologies (EST)

Headquartered in Chicago, Illinois, EST, manufactures and operates Base Catalyzed Decomposition (BCD) units--a non-combustion, low cost method of destroying toxic waste and pollutants already in existence. This low cost and highly effective method eliminates current or future damage to the environment due to toxic spills and neutralizes hazardous waste streams produced as a by product during many manufacturing, chemical and pharmaceutical processes. The BCD technology is approved and used to clean up many of the most contaminated sites around the world. Environmental Solutions and Technologies will provide and operate this highly acclaimed technology to solve a vast range of waste problems in the United States. Bill Kelly, formerly with Ford and an NFTC board member, has moved to EST and will serve as NFTC's trade member contact and an NFTC board member. Bill Kelly is VP of International Project Development at williampkelly@peoplepc.com.

### Norfolk International Group

Norfolk International is North America's leading provider of worldwide customized insurance solutions. Norfolk's international services are diverse and range from basic travel insurance to all of the services required for long term expatriate assignments including meeting the needs of Americans working in other countries as well as foreign workers temporarily employed in Canada or the United States. Since 1980, Norfolk has been building partnerships with companies around the world by providing expertise in benefits consulting, program design and implementation. Richard Albert, President of Norfolk International Group is the NFTC member contact in their NFTC international human resources membership at RickA@Norfolkgrp.com or www.norfolkgrp.com.

## Word From the President

*(Continued from Page 1)*

the war on terrorism and has been a good partner in a difficult region. We are currently negotiating a free trade agreement with them (and the NFTC is managing the business coalition in support of those talks). We are also in the midst of leading another round of multilateral trade negotiations to open up markets overseas, including services. The message from Congress, on the other hand, is to ignore all that and say, in effect, "We don't care how supportive you have been, you're still an Arab state and must therefore be supporting Arab terrorists." You can be sure this message will be heard loud and clear, not only in Dubai but throughout the Middle East, and its interpretation will be, "Why cooperate with the United States? No matter what we do, they will try to punish us." This is exactly the wrong message at a critical time in Middle East politics. It will make it much more difficult for the President to achieve his foreign policy goals there – which probably accounts for his strong stand – it will do further damage to the U.S. image, and it runs directly counter to the idea that open trade and global economic engagement are good things – principles which are the foundation of the NFTC and USA\*Engage.

The NFTC has supported the idea of a Middle East Free Trade Agreement (MEFTA), which is based on those principles, in the belief that it will lead to jobs and economic growth in the region, which in turn will help the cause of lasting peace. If Congress succeeds in blocking this acquisition, it will set back progress on our economic and political goals there for some time. Moreover, our leadership in opening markets will be less credible in important forums like the WTO.

Finally, and most disappointing to me, this is not an example of America at its best. It is not generous and open-handed. It reflects an attitude of suspicion and fear, which does us no credit.

*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.*

# NFTC Calendar of Events

Date	Event	Location
March 23, 2006	CCIT's 8th Annual Trade Policy Forum The California Council for International Trade presents the 8th Annual Trade Policy Forum. Please join us on Thursday, March 23rd, 2006. For more information and to register, please visit: <a href="http://irps.ucsd.edu/exed/ccit">http://irps.ucsd.edu/exed/ccit</a> or call 858.822.3933.	La Jolla, CA
March 28-30, 2006	Expatriate Management Committee (EMC) Meeting	Houston, TX
April 5, 2006	Tax Steering Committee Meeting/Tax Lunch Forum	Washington, DC
April 5, 2006	Tax Steering Committee Meeting/Tax Lunch Forum	Washington, DC
April 25-27, 2006	International Assignment Management Committee (IAMC) Meeting	New York, NY
May 17, 2006	Tax Steering Committee Meeting/Tax Lunch Forum	Washington, DC
June 6, 2006	International Benefits Committee (IBC) Committee	New York, NY
June 14-15, 2006	IHR Conference	New York, NY
June 22, 2006	Tax Steering Committee Meeting/Tax Lunch Forum	Washington, DC
June 26-27, 2006	Board of Directors Meeting	TBA
July 26, 2006	Tax Steering Committee Meeting/Tax Lunch Forum	Washington, DC
July 26-27, 2006	IHR Conference	Santa Clara, CA
August 2, 2006	Global Mobility Seminar	Cleveland, OH
August 3, 2006	Global Mobility Seminar	Detroit, MI
September 12-14, 2006	Expatriate Management Committee (EMC) Meeting	New York, NY
September 26-28, 2006	International Assignment Management Committee (IAMC) Meeting	San Francisco, CA
September 27-28, 2006	Fall Tax Committee Meeting	Washington, DC
October 12, 2006	International Benefits Committee (IBC) Meeting	New York, NY
November 2, 2006	Tax Steering Committee Meeting/Tax Lunch Forum	Washington, DC
December 6, 2006	Tax Steering Committee Meeting/Tax Lunch Forum	Washington, DC
Fall 2006	Annual World Trade Dinner and Award Ceremony	Washington, DC
Fall 2006	NFTC Annual Meeting	Washington, DC
Fall 2006	Board of Directors Meeting	Washington, DC

This issue of Council Highlights brought to you by:



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For membership opportunities, please contact  
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