

# COUNCIL HIGHLIGHTS

## NATIONAL FOREIGN TRADE COUNCIL

*“ADVANCING GLOBAL COMMERCE FOR NEARLY A CENTURY”*

*Council Highlights is a bi-monthly summary of news and events of the National Foreign Trade Council exclusively for its members.*



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### A Word From the President

**T**oday’s “Word” is about a term I never heard growing up but which seems quite popular today – “American exceptionalism.” This is apparently the idea that America, founded on ideals of liberty, freedom, and democracy, is an exception to normal nation-states and therefore, has a duty to advance internationally the principles it was founded on and continues to believe in today.

To me, this is a profoundly worrisome concept because it is misplaced and counter-productive. Nations are not exceptional. People are exceptional. Members of what Tom Brokaw called “The Greatest Generation,” which sacrificed so much in the hour of freedom’s greatest peril in World War II, would not say they were “exceptional.” They would say they were doing what had to be done. Indeed, it is their grace and humility, under fire and afterwards, that truly makes them exceptional. A nation can, and often does, embody the hopes and dreams of its people, but at the end of the day it is always the people who call the shots through their choice of leaders and cultural representatives, sometimes by voting, sometimes by other means. Our Constitution, which enshrines the virtues we all hold dear, was not, as far as I know, handed down on stone tablets by God. It was the work of men (and women), and the amendments to it over the years, including the Bill of Rights, demonstrate it is not immutable.

If a nation is to claim “exceptional” status, then its people must demonstrate the virtues they claim as their own. Here the American record, like everyone else’s is not perfect. We were truly a beacon of democracy during World War II and since. We also legitimized slavery in our Constitution, and, after a bloody civil war, tolerated legal segregation until our courts put an end to it, and we still struggle against racism in multiple forms.

*(Continued on page 2)*

### NFTC Participates in APEC Big Sky Meetings; Next Round to Focus on Innovation, Energy in San Francisco

The United States hosted a second round of meetings of the Asia Pacific Economic Cooperation forum May 7-21 in Big Sky, Montana to discuss trade and small business issues in the region. The talks focused on the key areas of priority for the United States during their 2011 host year: regional economic integration and the next generation of trade issues; green growth; and regulatory convergence and cooperation.

Jake Colvin, who attended the meeting on behalf of the NFTC, participated in trade policy dialogues organized by government officials in Big Sky on non-tariff measures affecting environmental goods and dissemination of clean technologies, and in a minister-level discussion on green growth. He worked to support the efforts of the National Center for APEC and the APEC 2011 USA Host Committee in Big Sky, and hosted briefings on behalf of the American business community with New Zealand Trade Minister Tim Groser, U.S. Undersecretary of Commerce for International Trade Francisco Sanchez and Deputy U.S. Trade Representative Michael Punke.

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# *News for Our Members*

## **A Word From the President**

*(Continued from page 1)*

It is to our credit that we attempt to face that struggle head-on, but the better angels of our nature do not always prevail. Our treatment over the years of both those who were here first – Native Americans – and those who came last – immigrants – has also not met our highest standards. Ironic, since we are all children of one or the other.

So we struggle. Perhaps we do our best, but we fall short, just like everybody else, but when we claim the mantle of exceptionalism, in the minds of those who watch us it is America failing, not its people. And that brings us to counter-productive. Our greatest generation understood innately that the hallmark of exceptionalism is humility. To claim the status is to deny its truth. To the rest of the world, claiming exceptionalism smacks of the arrogance of power, arrogance which is proven by their perceptions of our actions. In other words, if we truly want to influence others, we should shut up and let our good deeds speak for themselves.

Indeed, in thinking about why we have seen this recent outbreak of chest thumping, the most logical answer is insecurity. As we become more concerned about global competition and our own position in the world, and our domestic economic problems, our response has been, as in that old joke about lawyers, to ignore the law and the facts and instead to pound the table. Unfortunately, that doesn't work very well. A better answer, as the NFTC has been advocating for some time, is to redouble our efforts to maintain our global leadership. Instead of talking about exceptionalism, to be exceptional, like our forbears.

## **NFTC Participates in APEC Big Sky Meetings; Next Round to Focus on Innovation, Energy in San Francisco**

*(Continued from page 1)*

In advance of the meetings, NFTC organized and released a letter from the NFTC, the Australian Industry Group, BusinessNZ and Federation of Korean Industries to APEC trade ministers calling on them to take bold action to address trade barriers to environmental technologies through APEC this year. The groups highlighted several categories of measures, including government procurement policies, transparency, local content requirements, standards, tariffs and subsidies, which can affect competition. They suggested that APEC economies commit to eliminate local content requirements, take steps to promote transparency in rulemaking governing environmental technologies, expand upon APEC's work surveying standards and evaluating environmental markets, lowering tariff barriers, and developing a resource on behind the border measures. The letter is available on NFTC's website.

The groups note that, "Attempts to tilt the playing field through nontariff measures conflict with the reality of the 21st Century global economy and may harm local industries and consumers. Products, particularly the kind of large, complex manufactures that comprise much of the environmental goods market, are rarely made entirely with labor and materials from one country. Global supply chains permit the manufacture of efficient, high quality products at the lowest possible cost using inputs from across the globe. Enacting discriminatory rules that favor one producer or technology over another threatens to disrupt those supply chains, eliminates the benefit of economies of scale, could raise government project or consumer energy costs, and potentially sacrifices quality and expertise. Such policies undermine international rules and encourage imitation by trading partners, which leaves all countries worse off. Nontariff measures can be particularly challenging for small and medium sized companies, which tend to have a more limited reach into overseas markets."

The next round of APEC meetings will be in San Francisco from September 12-26. Those meetings will include an energy-transport ministerial conference, a summit on women and the economy, health systems innovation dialogue, meetings on secure trade, and a high-level workshop on innovation, trade and technology.

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

# *International Trade & Export Finance*

## **U.S. Economic Initiative for the Middle East and North Africa**

On May 19, President Barack Obama announced a new economic initiative for the Middle East and North Africa based around four key pillars – support for better economic management, support for economic stability, support for economic modernization, and the development of a framework for regional trade integration and investment. Many of the details, especially for the last pillar, the Trade and Investment Partnership Initiative in the Middle East and North Africa, are still under development. The National Foreign Trade Council and the broader umbrella U.S. – Middle East Free Trade Coalition, will work together with the Administration to develop these initiatives, including setting up a process for U.S. business to provide practical input into the effort.

For the first pillar, economic management, the U.S. plans to continue and expand technical assistance programs throughout the region that promote transparency and prevent corruption in managing economic resources. For the second and third pillars, economic stability and economic modernization, the U.S. recognizes that job creation is a pressing need in the region and key to future political stability during the democratic transition process in countries that have already experienced revolutions. According to the Administration, the source of new job creation will be the private sector, strengthened through investment. The fourth pillar, a comprehensive Trade and Investment Partnership Initiative in the Middle East and North Africa, maintains the key objectives of our joint work over the years with the U.S.-Middle East Free Trade Coalition in supporting the previous Middle East Free Trade Area Initiative. Without specifically calling on additional bilateral free trade agreements between the U.S. and nations in the Middle East and North Africa, the new initiative seeks to combine efforts with the European Union to build on existing U.S. and EU agreements in the region to promote regional integration and intra-regional trade and investment. This initiative is unique in two ways. While previous regional efforts by the U.S. relied on first building a hub and spoke networks of U.S. bilateral free trade agreements with countries in the region, there has yet to be sustained work to implement any integration of our agreements into a free trade area. Secondly, the U.S. and EU approach to trade liberalization in the region has often varied significantly and there has not previously been strategic cooperation between the two to achieve tangible regional integration. Given severe U.S. budget constraints, both aspects of this new initiative could provide tangible impetus to economic revitalization among countries in the region, without large expenditures of U.S. political or economic capital.

The White House had this to say about the new regional framework for trade and investment:

If you take out oil exports, the MENA region of nearly 400 million people exports about the same amount of goods as does Switzerland, with less than 8 million people. Moreover, regional trade structures are poorly integrated, as MENA sourced just 13 percent of their imports from other countries in the region. Developing Asian countries, in contrast, sourced over 25 percent of their imports from regional partners. The United States will launch a comprehensive Trade and Investment Partnership Initiative in the Middle East and North Africa. We will work with the European Union as we launch step-by-step initiatives that will facilitate more robust trade within the region, build on existing agreements to promote greater integration with U.S. and European markets, and open the door for those countries who adopt high standards of reform and trade liberalization to construct a regional trade arrangement.

A Fact Sheet on the White House announcement of Economic Support for the Middle East and North Africa may be found at:

<http://www.whitehouse.gov/the-press-office/2011/05/18/factsheet-economic-support-middle-east-and-north-africa>

For more information contact Chuck Dittrich at [cdittrich@nftc.org](mailto:cdittrich@nftc.org).

## *International Trade & Export Finance*

### **NFTC Submits Comments on DOT Proposal to Resolve U.S.-Mexico Cross-Border Trucking Issue**

In March of 2011, President Barack Obama and Mexican President Felipe Calderon announced that a path forward had been reached to resolve the cross-border trucking issue. Following the announcement, the Department of Transportation (DOT) proposed a Pilot Program on NAFTA Long-Haul Trucking Provisions to allow cross-border delivery of international cargo by Mexican-domiciled carriers from Mexico into the United States. The NFTC welcomes the pilot program and views it as a crucial step to meeting U.S. compliance with international trade agreements. In response to a request by DOT, NFTC submitted comments in early May in support of DOT's proposal to initiate a "Pilot Program on NAFTA Long-Haul Trucking Provisions."

In the [comments](#), NFTC President Bill Reinsch wrote:

*"The pilot program represents a critical step toward meeting the long-standing U.S. commitment to allow cross-border delivery of international cargo by Mexican-domiciled carriers from Mexico into the United States, access that is already provided to Canadian carriers. As a signatory of NAFTA, the United States is bound by the agreement's articles which explicitly forbid the United States from favoring Canadian or domestic carriers over Mexican carriers...U.S. compliance with the agreement will help to restore trust in America's international commitments. It will also help American farmers compete in the Mexican market. Mexico and the United States have agreed that upon the signing of an agreement on the Department of Transportation's proposal, 50% of the retaliatory tariffs currently in place will be suspended. The remaining 50% of the added tariffs are to be suspended when the first Mexican carrier is authorized to operate under the pilot program.*

*"We commend the effort of the Department to end this long-standing dispute with Mexico and empower U.S. workers and farmers to become more globally competitive, including in the critical Mexico market. However, it is critical that this pilot lead quickly to a permanent solution to fully comply with U.S. NAFTA services commitments related to cross border long haul trucking. Doing so will restore the jobs lost by America's farmers, workers and businesses as a result of this dispute, increase U.S. exports and enhance America's position in a rules based global trading system."*

For more information contact Chuck Dittrich at [cdittrich@nftc.org](mailto:cdittrich@nftc.org); to read the full text of the comments please follow the URL below:

[http://www.nftc.org/default/Trade%20Policy/Bilateral\\_Regional\\_Trade/050411%20NFTC%20DOT%20Comment%20Mexican%20Pilot%20Proposal.pdf](http://www.nftc.org/default/Trade%20Policy/Bilateral_Regional_Trade/050411%20NFTC%20DOT%20Comment%20Mexican%20Pilot%20Proposal.pdf)

### **NFTC Urges Veto of Florida State Sanctions Bill**

On May 25th, NFTC President Bill Reinsch wrote Florida Governor Rick Scott urging him to veto legislation recently passed by the Florida legislature. The bill, SB 444 2011, would prohibit state agencies or local governments from contracting for goods and services for more than \$1 million from a company that is on a list of "scrutinized companies" because of their commercial connections to Sudan or Iran's energy sector. The NFTC president wrote Governor Scott that the bill "is inconsistent with the U.S. Supreme Court's unanimous decision in the 2000 Crosby case," which overturned Massachusetts' procurement ban on companies doing business with Burma. Reinsch went on to say the bill "takes an approach that was explicitly found to be unconstitutional in that case...the United States must act and speak with one voice to conduct an effective foreign policy." Should the Florida bill become law, it would be the second state in the past year to enact procurement sanctions. In September, Governor Schwarzenegger signed a California law banning state procurement from companies that have investments greater than \$20 million in Iran's energy sector.

For more information please contact Dan O'Flaherty at [doflaherty@nftc.org](mailto:doflaherty@nftc.org). To read the letter to Governor Scott go to: [http://www.nftc.org/default/Publications/Trade\\_Policy/Rick\\_Scott.pdf](http://www.nftc.org/default/Publications/Trade_Policy/Rick_Scott.pdf).

### **NFTC Tax Lunch Forum Welcomes Jefferson VanderWolk , Senate Finance Committee International Tax Counsel**

The NFTC welcomed Jeff VanderWolk, International Tax Counsel to the Senate Finance Committee Majority staff to the May 18, 2011 tax luncheon. Mr. VanderWolk is relatively new to the Senate Finance Committee, having joined the staff on March 1, 2011. Mr. VanderWolk has an extensive background in international tax. Over the course of his career, Mr. VanderWolk has been a partner at Baker & McKenzie, a partner at Deloitte, a corporate tax director at Merrill Lynch, a Special Counsel (International) at the IRS Office of Chief Counsel, and a law professor in Hong Kong and London. He spent much of his career in Hong Kong and London.

Mr. VanderWolk gave an insightful overview of the current Senate Finance Committee activity on corporate tax reform. Mr. VanderWolk is very concerned about American exceptionalism and said that the current corporate tax rate and the worldwide system of taxation make the American tax code anti-competitive in the global economy. He said that everyone on the Senate Finance Committee agrees that the tax code should be simplified, and that there should be more certainty in the tax system. How the tax system should be reformed is the big question members are struggling with.

As the Senate Finance Committee continues to hold hearings on tax reform every week that the Senate is in session, they will gradually turn to more specific issues as the hearings progress. The first hearings were more general, later hearing will get into more detailed issues. Many members of the Finance Committee are supportive of the U.S. moving to a territorial tax system, but want more details on how that system would actually operate. What are the benefits of a territorial system versus the current worldwide system? Are there particular territorial systems that have features that work better than others? How should the pass-through entities be treated in a new system? There are many issues that must be addressed, but Mr. VanderWolk believes that given the structural problems with the current tax system, that tax reform will be accomplished in the next two to four years. Mr. VanderWolk asked the business community to provide specific, real-world examples to the Finance Committee of the competitive disadvantage companies' face under the current tax system. The Committee is looking at the design of other territorial systems, and will look to the features of other systems for guidance as the tax reform debate continues.

For more information or to participate in the next Tax Lunch/Breakfast Forum, scheduled for July 13, 2011 at 12:00 noon. contact Catherine Schultz at [cschultz@nftc.org](mailto:cschultz@nftc.org).

### **NFTC Submits Comments on the Need for Comprehensive Tax Reform to Help American Companies Compete In the Global Market and Create Jobs for American Workers**

The NFTC submitted written comments for the record in connection with the May 12, 2011 hearing of the Committee on Ways and Means (the "Committee") on the important topic of comprehensive tax reform.

As discussed in more detail in the submission, comprehensive tax reform is necessary to address the changing global landscape, making the U.S. economy more attractive for investment and job creation. It has been 25 years since Congress has reformed the tax code, and nearly 50 years since Congress has undertaken a detailed review of our international tax laws. During this time, the conduct of global commerce has changed dramatically and many foreign countries have responded to this change by updating their international tax regimes. The United States however, continues to lag in its response to the new global landscape. For example, in 1960 nearly all of the largest worldwide companies were American companies, with 17 of the 20 largest companies headquartered in the U.S.

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## Tax Policy

### **NFTC Submits Comments on the Need for Comprehensive Tax Reform to Help American Companies Compete In the Global Market and Create Jobs for American Workers**

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In 1985, only 13 of the 20 largest companies were American companies, and as of 2010, only six of the 20 largest companies in the world are American. This represents a decrease of 55% since 1960. Since 1985, Brazil, China, India Russia and Eastern Europe moved from essentially non-market economies to fast growth developing countries whose markets have opened to worldwide companies from the United States, Europe, Japan, Korea, and India. This very competitive marketplace is wide open to low cost producers. To address this changing global landscape, Congress should pass a comprehensive tax reform plan for the United States that makes the U.S. corporate income tax rate competitive with our trading partners and adopts a competitive territorial tax system much like those in most of the rest of the world.

For more information contact Catherine Schultz at [cschultz@nftc.org](mailto:cschultz@nftc.org). To read the entire NFTC submission to the Ways and Means Committee, please go to: [http://www.nftc.org/default/Tax\\_Policy/Statement\\_for\\_the\\_Record\\_to\\_WMs\\_Committee\\_May\\_2011.pdf](http://www.nftc.org/default/Tax_Policy/Statement_for_the_Record_to_WMs_Committee_May_2011.pdf)

## USA\*Engage

### **Sanctions Spring**

As sure as AIPAC meets annually in the Nation's capital, members of both the House and Senate have introduced additional "crippling" sanctions legislation focused on Iran. H.R. 1905, the Iran Threat Reduction Act, is co-sponsored principally by House Foreign Affairs Chairman Ileana Ros Lehtinen (R-CA) and Ranking Member Howard Berman (D-CA). S.1048, the Iran, North Korea, and Syria Consolidation Act of 2011, is sponsored by retiring Minority Whip John Kyl (R-AZ) and Robert Menendez (D-NJ) among other Senate notables.

Apart from expressing continuing dissatisfaction with the perceived reluctance of the Obama Administration to implement the sanctions legislated in last year's CISADA, both bills feature strategems to stand up an extraterritorial embargo of Iran's crude oil exports. The Senate bill would also invoke sanctions against ANY energy sector joint venture that includes Iranian participation.

Equally predictable, on the same day of Israeli Prime Minister Netanyahu's address to a joint session of Congress, the Administration trumpeted its "unprecedented" implementation of unilateral sanctions on Iran, sanctioning, among other entities, PDVSA, the Venezuelan state-owned oil company, for selling two cargoes of "reformate" -- a gasoline product enhancer -- to the Islamic Republic.

To paraphrase Camus: in the absence of strategy, reach for method.

Unfortunately, the method of sanctions carries not insignificant "collateral damage" for American commerce. In the presence of a strategy, so be it. But when the price of gasoline vies with Medicare as the most salient American domestic policy issue of the day, one wonders about the headlong Congressional embrace of secondary boycotts.

Contact Richard Sawaya at [rsawaya@nftc.org](mailto:rsawaya@nftc.org) if you have questions or comments.

## *International Human Resources*

### **National Foreign Trade Council – Annual International Human Resources Forum – July 14-15, 2011 – New York City**

***Optimizing Your Global Assets:*** As if continued economic problems in Greece, Ireland, Spain, Portugal and elsewhere aren't enough of a challenge for the respective countries and multi-national corporations; the recent civil conflicts in North Africa and the Middle East and the tragic earthquake and tsunami in Japan have added unexpected problems in previously stable countries.

These events come at a time when underlying demographic trends in Western Europe, Japan and even China are affecting the sourcing and retention of talent in key markets. The emergence of China and India as competitors for talent, as well as for business in their respective domestic and international markets, are other major issues facing western multi-national corporations.

This July's forum will include expert-led sessions on:

- Managing Global Business and Human Resource Risks
- The Importance of Innovation to the U.S. and World Economies
- The Integration of Global Talent and Mobility Management
- Cross-Border Mergers, Acquisitions and Divestments-Legal and Human Resource Issues
- IHR Management Case Studies in China, India the Middle East/North Africa
- Developing Global Business Leaders
- Keeping a Mobile Global Workforce Safe in an Unsafe World
- Understanding and Managing Cross-Border Employment and Labor Laws
- Emerging Markets: Talent and Deployment Challenges

In addition to subject matter experts from this year's sponsors the Faculty will include business and IHR colleagues from: Cargill, Chevron, Citi, Corning, The Global Innovation Forum, KBR, Marsh, I.J. Martin & Company, MIT, The Nielsen Company, RBS, State Street Bank, TE Connectivity, UBS and The World Bank.

The National Foreign Trade Council gratefully acknowledges the participation of the Sponsors of this year's forum: Aetna Global Benefits, AIRINC, Cartus, International SOS, KPMG LLP and Proskauer Rose LLP.

For information about the Forum agenda and registration visit the URL below or contact Sandra Rodriguez at [srodriguez@nftc.org](mailto:srodriguez@nftc.org)

Agenda: [http://www.nftc.org/default/hr/AIHRMC/NY 2011/Agenda NYC 2011.pdf](http://www.nftc.org/default/hr/AIHRMC/NY%2011/Agenda%20NYC%202011.pdf)

Register: <http://www.nftc.org/default/hr/AIHRMC/NY%202011/NYC-11%20Registration%20Form.pdf>

### **NFTC Presents at TechRevolution “Keeping America Competitive in the 21st Century Global Economy” Forum**

The Global Innovation Forum (GIF) pushed forward in North Carolina on illuminating the importance of innovation to the U.S. trade agenda and American economy as a whole at the *Keeping America Competitive in the 21st Century Global Economy* Conference. John Stubbs, Executive Director of GIF, along with Jake Colvin, the NFTC's Vice-President for Global Trade Issues, spoke at the TechRevolution conference at North Carolina State University on May 24th. Attending this conference were over 100 business executives, academic, and state and local political leaders, along with senior representatives of the business software company SAS and the innovative lighting company CREE.

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## *Global Innovation Forum*

### **NFTC Presents at TechRevolution “Keeping America Competitive in the 21st Century Global Economy” Forum**

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Stubbs and Colvin explained that U.S. public policy can help America's innovative businesses and workers remain competitive in an increasingly-competitive global economy, and then outlined areas of policy concern and recommendations gleaned from previous GIF events in Silicon Valley, Raleigh-Durham, and Detroit. SAS and CREE shared insights from their innovative labs, and participants focused on challenges such as a lack of homegrown talent in math, science and engineering and the lack of intellectual property protection in the global market, dissuading many firms from exporting or sharing knowledge and technology across borders.

For more information contact Jake Colvin at [jcolvin@nftc.org](mailto:jcolvin@nftc.org) or John Stubbs at [jstubbs@nftc.org](mailto:jstubbs@nftc.org).

### **Interview with John Stubbs, Executive Director of the Global Innovation Forum**

**Question:** Can you describe the importance of innovation to the American economy?

**JS:** Sure. The United States is a world leader in “innovation,” and innovation is historically a major contributor to US economic growth. For example, according to one recent US Department of Commerce estimate, 75% of all US economic growth since WWII is due to innovation. Overall, US capital markets are the most fluid and supportive of innovation, its educational institutions are world leading, its markets the most attractive to innovative companies, and its laws the most suitable for protecting intellectual property. US firms are also the most skilled at developing commercial applications for their innovations and so garner greater revenues as a percentage of overall GDP from licensing their patents than firms in Japan or the EU. This is why we at GIF believe that innovation belongs at the core of America’s economic growth strategy.

**Question:** What does the Global Innovation Forum do to promote America’s interest in innovation?

**JS:** Most broadly, the mission of GIF is to create a greater understanding of the innovation ecosystem – the creation, trade and employment of innovation – and the foundations upon which this system is built to improve the lives of workers, families and communities around the world. To that end, we’ve held events around the country to bring together local and national business leaders, inventors, investors, academics, and senior politicians to discuss local, regional, national, and global innovation issues.

That process began two years ago, and we've taken lessons from those engagements, along with the tough leadership provided by our Brain Trust, and put it to use drawing the four corners around a Global Innovation Agreement. This is a project we're very excited about.

**Question:** What is the Global Innovation Agreement?

**JS:** Right now it is an idea, but our board member companies, including General Electric, Procter & Gamble, Google, Gilead, Microsoft and Hewlett Packard are working to define an ambitious, modern trade agenda that would support continued innovation and economic growth. Updating international rules that hamstring innovators would create good, high-wage jobs in America, raise living standards and contribute to the nation's well-being and security. This modern trade agenda should reflect principles of openness, transparency, accountability and competition required for innovation.

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## News for Our Members

### Interview with John Stubbs, Executive Director of the Global Innovation Forum

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Unfortunately, the current US trade agenda falls short. The Doha Round is on a shelf somewhere gathering dust. The Trans-Pacific Partnership, an agreement the Obama Administration has labeled “21st Century” and involving Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam, faces numerous challenges.

Innovation consumers have different goals than innovation producers. TPP countries will not match US ambition on issues related to goods and services liberalization, regulatory transparency, protection of cross-border data transfers, intellectual property protection and more. This is largely an adversarial negotiation. The Global Innovation Agreement, on the other hand, refocuses our efforts on like-minded markets -- the innovation producers -- to create an open and mutually beneficial trade zone for the development, commercialization and deployment of innovation.

**Question:** What can Washington do to encourage US innovation?

**JS:** From leaders in the innovation community, I’ve learned that there are actually at least five policy areas that need reform to bolster American innovation and create good jobs at home. These issues could not be more important to our economic future. American competes and wins in the global economy because of our comparative advantage in innovation.

First, we need to create a more open, rules-based, competitive trading environment through the conclusion and passage of new and innovative trade agreements. 95% of consumers live outside of the US, and we need a predictable and safe market for American businesses to reach those new customers. Second, we need to ensure that value is being delivered back home for U.S. innovation, meaning that American intellectual property needs to be protected, forced technology and investment transfers must be stopped, and protectionist barriers to American innovation should be removed. Third, we need to help businesses get better access to credit and use our tax structure to more effectively incentivize R&D. Fourth, we need the better educate our students in engineering, mathematics, and science and do more to promote these career paths. Fifth, Congress should overhaul U.S. immigration and visa policies to enable the United States to attract and retain the brightest entrepreneurs, educators and workers from around the world.

*John Stubbs is Managing Partner of Romulus Global Issues Management and Executive Director, Global Innovation Forum, a project of the National Foreign Trade Council.*

*The Global Innovation Forum is a project of NFTC's educational arm, the NFTC Foundation. NFTC established the Global Innovation Forum to create a greater understanding of the innovation ecosystem and the policy foundations upon which this system is built to improve the lives of workers, families and communities around the world. NFTC's Global Innovation Forum has hosted a series of innovation events around the country this year, which are made possible in part thanks to a grant by the General Electric Foundation. In April, the Forum held a workshop in partnership with the Research Triangle Foundation and the Nicholas Institute of Duke University. In June, GIF held an event with the Palo Alto Research Center (PARC), Tesla Motors and Stanford's School of Business. In September, GIF hosted a roundtable discussion with U.S. Trade Representative Ron Kirk and senior officials from Google, Facebook and Microsoft at the Googleplex in Mountain View, California.*

## *News for Our Members*

### **2011 World Trade Dinner and Award Ceremony, Scheduled for Wednesday, October 5, 2011**

The National Foreign Trade Council Foundation's Annual World Trade Dinner and Award Ceremony will take place on Wednesday, October 5, 2011. The dinner is a black tie event and the venue is the elegant and historic Organization of American States, 17th Street & Constitution Avenue, NW, Washington, DC. Please save the date and plan to attend!

The World Trade Dinner is a popular event for senior corporate and public officials and foreign dignitaries; a night featuring a formal address by our keynote speaker, presentation of our annual world trade award, and, of course, much socializing. Our 2010 speaker was Dave Camp, who is now Chairman of the House Ways & Means Committee. Past speakers have included such respected figures as House Majority Leader Steny Hoyer; United States Trade Representative, Ambassador Susan Schwab; Secretary General of the United Nations, Kofi Annan; UN-Ambassador John Negroponte, as well as several Heads of State. We will be announcing the 2011 dinner speaker later this summer.

Company sponsorship opportunities for the dinner are still available, as are a limited number of individual reservations. Contact the NFTC at 202-887-0278 or [nftcinformation@nftc.org](mailto:nftcinformation@nftc.org) for details.

### **New Members**

Adobe Systems, Inc. is a diversified software company offering a line of creative, business, internet, and mobile software applications that are used by professionals and enterprises worldwide. Known for innovative software applications including the Adobe Reader, Adobe is the documented leader in the desktop software industry and in 2010, generated 3.80 billion in sales revenue. For more information, visit [www.adobe.com](http://www.adobe.com).

Bloomberg, is a premier site for business news and financial information. It delivers international breaking news, stock market data, personal financial information and news leader, gives influential decision makers a critical edge by connecting them to a dynamic network of information, people and ideas. The company's strength--delivering data, news and analytics through innovative technology, quickly and accurately-- is at the core of the Bloomberg Professional service, which provides real time financial information to more than 300,000 subscribers globally. For more information, visit [www.bloomberg.com](http://www.bloomberg.com).

Metropolitan Life Insurance Company is the flagship subsidiary of MetLife, the largest life insurance provider in the United States. In 2010, the company made \$52.72 billion in sales revenue and was ranked the top insurance seller in the United States by Fortune 500 magazine. For more information, visit [www.metlife.com](http://www.metlife.com).

Pearl Meyer & Partners, LLC is the leading independent compensation consulting service and serves as advisor to Boards and senior managers in the areas of governance, strategy and compensation program design. The company's clients include fortune 500 companies, not for profits and emerging high-growth companies. For more information, visit [www.pearlmeyer.com](http://www.pearlmeyer.com).

Turner Broadcasting System is a leading operator of cable TV networks. Its portfolio includes Turner Network Television (TNT), the TBS Superstation, and CNN. TBS also operates truTV, Cartoon Network, Turner Classic Movies, and Boomerang. Founded by broadcasting pioneer Ted Turner, TBS is the primary cable TV subsidiary of Time Warner. In 2010, TBS employed 6,900 people and made \$3.77 billion in sales revenue. For more information, visit [www.turner.com](http://www.turner.com).

# News for Our Members

## Calendar of Events

Date	Event and Location
July 13	Tax Lunch Forum - Speaker: TBA - Washington, DC
July 14-15	Annual International Human Resources Management Forum – New York City
September 20-22	Expatriate Management Committee* - San Jose, CA
October 6-7	Fall Tax Meeting - Washington, DC
November 9	Tax Lunch Forum - Speaker: TBA - Washington, DC
December 7	Tax Lunch Forum - Speaker: TBA - Washington, DC
October 5	National Foreign Trade Council's Annual Meeting - Washington, DC
October 5	National Foreign Trade Council Foundation's World Trade Dinner & Award Ceremony – Washington, DC

*\*Note: The WTO Committee Meetings, Trade Committee Meetings, Expatriate Management, Global Compensation, International Assignment Management, and International Benefits Committees are by invitation only. For information about them please contact NFTC at (202) 887-0278 or e-mail [nftcinformation@nftc.org](mailto:nftcinformation@nftc.org).*

## Latest News

### **NFTC Hosts Press Roundtable with Colombian Ambassador to Discuss Colombia's Recent Actions to Advance Labor Rights**

On June 17th, the NFTC hosted a press roundtable led by Colombian Ambassador to the United States Gabriel Silva. The focus of the discussion was on Colombia's achievement of the June 15th milestones outlined in the Action Plan on Labor Rights. Ambassador Silva also discussed addition progress on labor rights, including the recent update of the Tripartite Agreement, the ILO's exclusion of Colombia from its annual watch list and the Victims and Land Restitution Law, among others.

### **NFTC Hosts Lunch with Former Canadian Ambassador John Weekes**

The NFTC on June 14th hosted a lunch with former Canadian Ambassador John Weekes on developments in Canadian trade policy and World Trade Organization (WTO) issues. Ambassador Weekes specifically provided his perspective on the Canadian government's pursuit of international trade priorities in light of Prime Minister Harper's new majority government.

### **NFTC Welcomes Colombia's Achievement of Action Plan Milestone, Urges Action on FTAs and TAA**

The NFTC on June 13th welcomed news from the Office of the U.S. Trade Representative (USTR) that Colombia has met all milestones required for completion by the June 15, 2011 deadline under the "Action Plan Related to Labor Rights," an important step in moving forward with the U.S.-Colombia free trade agreement (FTA).

"We commend the Colombian government for upholding its commitment to the Action Plan by meeting all milestones required by the June 15 deadline," said NFTC President Bill Reinsch. "Colombia has made great strides in the past decade in improving labor rights, and today's announcement makes it clear that the Santos Administration is dedicated to further improving the lives of Colombian workers. We are pleased that the Administration has recognized this as a significant step, and urge them to submit the implementing legislation for the Colombia, Panama and Korea FTAs to Congress as soon as possible."

"We also recognize that the difference of opinion over TAA is at this point the only substantive roadblock preventing consideration of the FTAs, and we ask Congress and the Administration to redouble their efforts to devise a solution as soon as possible," said Reinsch.

To read the full statement, visit:

<http://www.nftc.org/newsflash/newsflash.asp?Mode=View&id=236&articleid=3270&category=All>

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## NATIONAL FOREIGN TRADE COUNCIL

*"ADVANCING GLOBAL COMMERCE FOR NEARLY A CENTURY"*

*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.*

*For membership opportunities, please contact us at  
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