



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.

October –November 2011
Vol 11, Issue 6

A Word From the President

Finally, something to celebrate (two things actually)! The first is that on October 12, both House and Senate passed the three pending Free Trade Agreements (FTAs) with Colombia, Panama, and South Korea, and the House also took final action on extension of the GSP and TAA programs, thus sending all four bills to the President. This is exactly what both sides in the Congress and many in the Administration have been saying for five months that they wanted to do. The mystery is why it took so long.

There's no particular utility in dwelling on the mystery right now, but we should think for a moment about what it means institutionally. This was one of those increasingly rare occasions in the Congress where the center held. All three FTAs had healthy majorities in both bodies, and TAA in the House did better than most people expected with more than 300 votes in favor. To get there the parties had to work together. While the Republicans could have passed the FTAs in the House with no Democratic votes, they could not have passed the Senate the same way. Similarly, in the Senate, TAA could not have passed without Republican cooperation. In other words, both parties worked together to cobble together majorities that, once the actual voting took place, turned out to be larger than a lot of people had expected.

Those of you who followed this closely know it was not an easy process because it inevitably rested on the two parties in Congress trusting each other to keep their part of the bargain and both trusting the President to keep his. Sadly, trust is a commodity in short supply in our political system these days, and the fact that it took five months – some would argue nearly five years in the case of the FTAs – to do the obvious shows that.

The good news, in addition to the fact that these measures passed, is that this could be a foundation we can build on to reinstall trust as a viable commodity on the Hill and between Congress and the Executive Branch.

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Daley Delivers Keynote at NFTC Foundation's Annual Gala

Speaking at the NFTC Foundation's World Trade Dinner on October 5, President Obama's Chief of Staff, Bill Daley told the sold-out crowd of more than 300 that the long-delayed U.S. free trade agreements with Korea, Colombia and Panama were going to be voted on by Congress that week and sent to President Obama for signature.



Bill Daley delivering keynote address

"...You [the NFTC] fight for it [trade] and you fight for the benefits come from it, and obviously at this moment we are very much closer than we've ever been to passing an essential piece of the president's job agenda, and that is the three historic trade deals along with renewal of Trade Adjustment Assistance. So none of us would be here tonight if it were not for you and the member companies, so on behalf of the President and the Obama Administration, I'd like to thank you all for the hard work which you have done to get us to this place," said Daley.

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News for Our Members

A Word From the President

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There are other bills working their way through the legislative process that will have to benefit from the same quality if they are to be enacted – the Export-Import Bank reauthorization and the multilateral development banks' general capital increase to mention two. These are two eminently sensible measures that have had relatively smooth sailing so far but which could still be derailed.

Last week's lesson is that when the parties work together things happen that are good for the country and good for jobs and growth. I can't help but think that if a few more of those things happen it will be good for the Congress as well.

The second celebration is to thank all of you for your support of our annual dinner, about which more is said elsewhere. We had an extraordinary outpouring of support from our members, a record number of guests, and an exceptional speaker in Bill Daley, the President's Chief of Staff. I am grateful to you for your support. It means an enormous amount to the NFTC.

Daley Deliveries Keynote at NFTC Foundation's Annual Gala

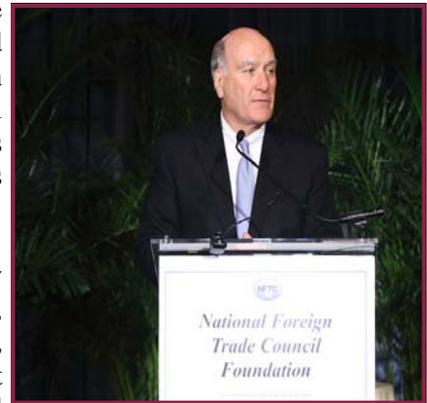
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His comments were widely reported in the press. As he predicted all three FTAs and renewal of Trade Adjustment Assistance (TAA) and the Generalized System of Preferences were approved by both houses of the Congress on October 12, and signed by the President on October 21. NFTC members will recall that the NFTC, along with other business and trade associations, has strongly supported approval of the three agreements and of TAA for workers displaced by trade.

"... I am one, who also along obviously with the President, believes strongly that we've got to show at the same time we pass agreements that those of us, and especially in the business community who believe in this and understand it, that we've got to reach out to people who are negatively affected, especially at this crisis time..." said Daley. "Because if we don't continue to build and attempt to build, and especially the business community, attempt to build a consensus, not just amongst people in Washington and politicians, but amongst people with a greater understanding, these [trade] fights will get more and more difficult, but more importantly, even if we win the fights, the American people will question our judgment, and that's the reason we fought to bring TAA into this debate."

Daley was guest speaker at the NFTC Foundation's annual, black-tie event held at the historic Organization of American States building in Washington, DC.

For more information on the World Trade Dinner or to get involved contact Bill Kelly at wkelly@nftc.org.



Reuters.com reported, President Barack Obama signed three free trade deals opposed by many of his fellow Democrats in a low-key ceremony on Friday, October 21, capping a five-year push by Republicans to get them approved."

"The pacts with South Korea, Panama and Colombia are expected to boost U.S. exports by around \$13 billion annually, which the administration estimates will create or maintain about 70,000 jobs -- a figure disputed by labor groups including the politically influential AFL-CIO." By Doug Palmer/Reuters – Fri, Oct 21, 2011

Follow the URL to read the full article:

<http://news.yahoo.com/obama-signs-three-long-delayed-trade-pacts-law-140004149.html>

News for Our Members

NFTC Lobbies Against Senate China Currency Bill

The NFTC has lobbied the Senate in opposition to a bill sponsored by Senators Sherrod Brown (D-OH) and Charles Schumer (D-NY) to impose penalties on China unless the RMB is allowed to appreciate significantly. NFTC staff, as part of a coalition led by the U.S.-China Business Council, visited 18 Senate offices in September and October to argue that the legislation, which is being presented as a domestic job-promoting measure, is certain to incur Chinese retaliation against U.S. companies, could actually cost jobs and is the wrong instrument to achieve its objective.

This legislation has been introduced in differing versions since 2005. In its current form, the “Currency Exchange Rate Oversight Reform Act of 2011,” the bill would require the Commerce Department to investigate currency manipulation on request from a company or other eligible party. If the Department found that a government is subsidizing its exports by undervaluing its currency, it could impose countervailing duties, a practice the Department has previously regarded as a violation of WTO rules. The bill repeals the current Treasury Department periodic determination of whether a country is manipulating its currency’s foreign exchange value. Instead the bill requires Treasury to report twice a year on countries whose currency is “fundamentally misaligned.” If talks fail to correct the misalignment within 90 days, Commerce is required to impose countervailing and antidumping duties. The bill also requires the U.S. to oppose multilateral bank financing for projects in the designated country and forbids OPIC financing of projects and federal procurement from the country.

On October 11 the Senate passed the bill by a vote of 63 to 35 and sent it to the House. Although Speaker Boehner and Ways and Means Chairman Brady have opposed the bill, 61 House Republicans and 165 Democrats have co-sponsored similar legislation. NFTC lobbying will now focus on the House of Representatives.

For additional information, contact Dan O’Flaherty at doflaherty@nftc.org.

NFTC and U.S. Chamber File Amicus Brief in Alien Tort Statute Case Doe v. Nestlé

On October 7, the NFTC and the U.S. Chamber of Commerce filed an amicus brief in *Doe v. Nestlé*, a case brought under the Alien Tort Statute. The plaintiffs alleged that Nestlé, Cargill and Archer Daniels Midland aided and abetted forced labor practices of Malian workers on cocoa plantations by farmers in Cote d’Ivoire. The case was dismissed in Federal district court and is under appeal in the Ninth Circuit. Without taking a position on the facts of the case, the NFTC amicus brief argues that the Supreme Court’s decision in *Sosa v. Alvarez Machain* established standards for corporate liability in ATS cases which this case does not meet. The brief argues that the plaintiffs are attempting to expand the list of actionable torts under the ATS and also to broaden its scope by including aiding and abetting of torts allegedly committed by private third parties outside the United States. The scope of the ATS has been interpreted differently by several Federal Circuit courts. Notably the Second Circuit has held that the ATS does not extend to civil actions brought against corporations, while the Fourth Circuit has ruled that a corporation can be sued if it knowingly provides practical assistance to commission of a crime. Since it is likely this conflict among Federal circuit courts will reach the Supreme Court, the Ninth Circuit decision in the Nestle case takes on added significance.

For additional information, contact Dan O’Flaherty at doflaherty@nftc.org.

News for Our Members

NFTC Welcomes Issuance of First U.S. Permit Under U.S.-Mexico Cross-Border Trucking Program

On October 14, the NFTC welcomed news that the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) issued its first permit under the U.S.-Cross Border Trucking Program. According to the Mexican Government, three U.S. trucking companies have also been granted permits in recent months. The NFTC released the following statement.

"This news is important for two equally significant reasons. FMCSA's issuance of the first permit under the program signals that after reaching a resolution on the cross-border trucking issue in March, the U.S. and Mexican governments are committed to making the program work, to the benefit of trucking companies and exporters in both countries.

"As this step forward continues the process of U.S. compliance with its international obligations under NAFTA, it gives the Mexican Government the assurance it needs to lift remaining retaliatory tariffs facing U.S. exporters in a wide range of industries – allowing them to regain their competitive edge and sustain and create U.S. jobs supported by bilateral trade."

For more information, contact Chuck Dittrich at cdittrich@nftc.org.

New Members

Arnold & Porter LLP law firm's wide-ranging practice areas center on business transactions and public policy; its specialties include antitrust, bankruptcy and corporate restructuring, white collar criminal defense, international trade, intellectual property, and litigation. The firm is also known for its strong pro bono work. Arnold & Porter has more than 700 lawyers at seven offices in the US and two in Europe. The firm was established in 1946 as Arnold, Fortas & Porter; Abe Fortas, later a Supreme Court justice, was a founding partner. For more information, visit www.arnoldporter.com.

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USA*Engage, NFTC, Honor Congressman Kevin Brady for Leadership on International Trade

USA*Engage and the NFTC on September 13 honored Rep. Kevin Brady (R-TX) for his leadership on international trade and U.S. global engagement issues. During the 14th annual USA*Engage luncheon, Congressman Brady was recognized for his commitment to the U.S. trade agenda through advocacy of legislation to further open markets abroad to U.S. goods and services and “smart sanctions,” in his role as House Ways and Means Trade Subcommittee Chairman.



*Rep. Brady delivering remarks the USA*Engage and NFTC annual luncheon.*

“USA*Engage has since its founding stressed the political, economic and security benefits of a U.S. government and a U.S. business community that are actively engaged around the world,” said USA*Engage Co-Chair Del Renigar, who also serves as Senior Counsel for International Policy & Trade at General Electric. “This is why it is so important and such an honor to be here today with Congressman Kevin Brady. He understands that American economic engagement abroad is what helps make America great and he knows what it takes to get there – free trade. He is leading the fight for the Colombia, Panama and Korea free trade agreements and is pushing for more trade and more U.S. exports around the world.”

During his acceptance of the USA*Engage / NFTC Annual Award, Rep. Brady delivered the following remarks regarding the U.S. trade agenda:

“International trade provides new and expanding markets for our goods and services and increases the competitiveness of our companies and workers through global supply chains. Trade also allows consumers to get the most value and variety for their hard-earned dollars. I am glad that we are finally getting off the sidelines and moving forward with a proactive trade agenda. Since January, we have made more progress on the trade front than in the prior four years.

“...The need to act is urgent. Colombia, Panama and South Korea are negotiating and completing agreements with other countries. Unless we pass and implement our agreements soon, we know that America and our farmers, ranchers and workers will be left further behind. We have already lost market share because of our delay, particularly in Colombia.... Trade officials and business people from around the world have told me that the United States and this Administration in particular will simply not be credible on trade until the three trade agreements are passed.”

Rep. Brady concluded his remarks by discussing the importance of “smart sanctions,” stating “We need to work together to promote smart sanctions that achieve our desired ends....We must make sure that the understandable desire to punish a rogue regime is not acted on without understanding the consequences – in particular the impact on U.S. policy and stakeholders as well as on our efforts to change behavior through multilateral pressure.”

Annually, USA*Engage recognizes a lawmaker who has enhanced America’s national and economic security by promoting active global engagement and multilateral solutions to some of the most challenging foreign policy and trade issues facing the United States. Past honorees include Reps. Jim Moran (D-VA), Earl Blumenauer (D-OR) and Jeff Flake (R-AZ), Sens. Richard Lugar (R-IN) and Mike Enzi (R-WY), then-Sens. Chris Dodd (D-CT) and Chuck Hagel (R-NE), and former Reps. Lee Hamilton (D-IN) and Cal Dooley (D-CA).

For more information, contact Richard Sawaya at rsawaya@nftc.org

Iran Sanctions Update

With the Obama Administration Justice Department's Tuesday, October 11, high-profile announcement of the foiled "plot" to assassinate Adel al-Jubeir, Saudi Arabia's ambassador to the United States, (and blow up the Saudi and Israeli embassies), and the assertion it was licensed by the Quds Force unit of Iran's Islamic Revolutionary Guard Force (IRGC), and therefore imputed to Iran's Supreme Leader, the political and policy "imperative" for additional, "crippling" Iran sanctions on Capitol Hill (and within the Administration) spun into rhetorical hyperdrive.

Coincident with the plot news cycle, the Senate Banking Committee and the House Foreign Affairs Committee held respective hearings on Iran and Syrian sanctions on Thursday, October 13, and Friday, October 14. Principal Administration witnesses at both venues were State Undersecretary for Political Affairs Wendy Sherman and Treasury Undersecretary for Terrorism and Financial Crimes David Cohen. Viewed collectively, the hearings constituted an exercise in who would be tougher on the manifold perfidies – nuclearization, regional hegemony, global terror, citizen abuse – of the Islamic Republic.

On the Senate side, bipartisanship was seamless. Republican Mark Kirk (R-IL) demanded that Treasury immediately sanction the Central Bank of Iran (CBI) under the existing Comprehensive Iran Sanctions, Divestment and Accountability Act (CISADA), in order to "collapse the currency." Democrat Robert Menendez (D-NJ) advocated amending CISADA to prohibit importation of petroleum product into the U.S. from European refiners who purchase Iranian crude, contending that such a non-embargo embargo would redirect Iran's sales to a smaller number of buyers who would pay less for it and therefore not cause any world oil price increase (sic!).

Responding to both ideas, Secretary Cohen responded that Treasury had taken such measures under advisement. (Regarding sanctioning of the CBI, Treasury Secretary Geithner stated elsewhere that the measure was "on the table.")

On the House side, as a prelude to mark up of HR 1905, the Iran Threat Reduction Act (ITRA) scheduled for November 2, the opening remarks of its original co-sponsors, Chairman Ileana Ros Lehtinen (R-FL) and Ranking Member Howard Berman (D-CA) while scarcely less harmonious, did evince some difference between the respective parties. Dismissing any further reliance on the United Nations, the Chairman declared the plot underscored the existential threat of a nuclear Iran and therefore the need to pass ITRA and attacked the Administration for continuing to hold out the promise of engagement to Iran if the nuclear program were suspended.

Ranking Member Berman asserted no Administration has been more focused on Iran than the present; declared that the CBI should be sanctioned under CISADA; agreed that the plot does evidence the existential threat of a nuclear Iran, and (in a demonstration that he understands the realities of the global oil market) opined that Saudi Arabia should increase its crude oil production considerably to cause a world oil price drop that would materially reduce Iran's cash flow.

For more information, contact Richard Sawaya at rsawaya@nftc.org

Global Innovation Forum

In Cincinnati, NFTC Foundation Hosts Forum with Senator Brown, Commerce Department on Global Markets

On September 30, the NFTC Foundation hosted a forum in Cincinnati as part of an ongoing series of discussions on the growing impact of international trade, foreign investment and innovation on the U.S. economy. The event was held at process and production improvement consultancy TechSolve and brought together a range of representatives of small- and medium-sized enterprises, multinational corporations, universities and government officials.

The forum was held in partnership with the Cincinnati USA Regional Chamber, Dayton Development Coalition, European-American Chamber of Commerce. It provided an opportunity to advance a discussion about the ways companies in Ohio and Kentucky can create and support American jobs through interacting with the global economy and how Washington can help businesses leverage those resources. The forum included a luncheon on “How the United States Can Encourage Job Growth and Remain the World’s Innovation Leader,” featuring keynote remarks by Senator Sherrod Brown (D-OH) and Peter Perez, Deputy U.S. Assistant Secretary of Commerce for Manufacturing. In his remarks, Senator Brown pointed ways to grow U.S. exports. “As a member of the President’s Export Council, I’m working to ensure Ohio’s small businesses are connective to resources to expand into new markets. We can boost our economy and rebalance our trade deficit by tackling currency, enforcing existing trade laws, and tapping resources like the Export-Import Bank, and the Small Business Administration to boost exports,” Brown said.



Senator Sherrod Brown (D-OH)

A variety of senior corporate representatives, experts, educators and public policy leaders from Ohio, Kentucky, and Washington, DC participated in the dialogue, including: Gregory Kenny, President & CEO of General Cable; Dale Carleson, Executive for Advanced Engine Systems for GE Aviation; Terry Segerberg, CEO of Mesa Industries; Robert Koopman, Chief Economist, U.S. International Trade Commission; TechSolve President & CEO Gary Conley; NFTC President Bill Reinsch; and David Thomas, Director of Public Policy for Business Roundtable. At a private dinner the evening before the conference, University of Cincinnati President Gregory Williams and former Ohio Governor Bob Taft joined participants to discuss how educators are helping to equip students with an international mindset and compete in the 21st Century global economy.

Business leaders discussed the scope of international trade and investment in the U.S. economy, whether current measures of trade are sufficient to reflect increasingly complex global supply chains, and how public policies can grow jobs and help the United States remain the world’s innovation leader. Several reoccurring themes surfaced, which were echoed in other discussions NFTC has held around the country. U.S. immigration and visa issues topped the list of concerns by business leaders. Concern about global protection of intellectual property rights was also high, particularly for small businesses. Terry Segerberg, CEO of Ohio-based Mesa Industries, a diversified American manufacturer for the oil & gas, mining, plastering and other industries, said, “We’ve been copied a number of times. We had to waste a lot of time and have some lengthy conversations with people to convince them that what they had bought wasn’t our product.”

Over the past several years, the NFTC Foundation has hosted a series of innovation forums around the country, from Research Triangle Park Headquarters in North Carolina to GE’s advanced manufacturing research facility outside Detroit to the Googleplex in California. These discussions are made possible thanks to a grant from the General Electric Foundation and are meant to elicit advice and input from senior business and community leaders to help guide public policies on international trade and investment.

For additional information, contact Jake Colvin at jcolvin@nftc.org.

Tax Policy

Fall 2011 Tax Committee Meeting is a Big Hit with NFTC Members

The NFTC Annual Fall Tax Meeting was held on October 6-7 at the Microsoft Innovation and Policy Center in Washington, D.C. The meeting was attended by many NFTC members.

The first panel was moderated by Tom Roesser of Microsoft and consisted of Denise Strain of Citigroup, Michael Reilly of Johnson and Johnson, Karl Schmalz of ExxonMobil and Dan Kostenbauder of Hewlett-Packard. The panelists discussed tax reform and the effects of moving to a territorial-style tax system on their specific industries. Each industry has specific issues that must be addressed for a territorial-style system to work for them. All of these issues must be taken into account as a new system is designed, and explaining the various industry concerns alerted other NFTC members to the struggles that lie ahead in any tax reform debate.

The second panel was moderated by Carol Dunahoo of Baker, McKenzie and included Mary Bennett, recently of the OECD, and now returning back to Baker, McKenzie, and Will Morris of General Electric. Will Morris outlined how actively engaged NGO's are in the discussion of country-by-country reporting, and how groups are becoming more vocal against multinational corporations. Mary Bennett explained the role of the OECD and how the countries working with the OECD work to follow the transfer pricing guidelines. Although the NGO's have become more active in the OECD, they are more active with the U.N. tax committee. Carol Dunahoo explained how the U.N. tax committee tends to cater to certain countries, particularly India, China and Brazil, over other participants. Many of the developing countries that do not participate in the OECD, are active in the U.N. Many of the U.N. participants are supportive of country-by-country reporting and believe that companies manipulate their transfer pricing to the detriment of developing countries. The NFTC will be monitoring the activities at the U.N. closely and keep you apprised of any new developments.



(r-l) Peter Barnes, GE; Michael Danilack, Deputy Commissioner (International) LB&I, IRS, Sam Maruca, Transfer Pricing Director, IRS, John Hinding, Director, APAs, Office of Chief Counsel (International) IRS

Peter Barnes of General Electric moderated the next panel discussion on tax treaties, transfer pricing and advanced pricing agreements. Michael Danilack, Deputy Commissioner (International), Large Business and International (LB&I), Internal Revenue Service, Sam Maruca, Transfer Pricing Director (LB&I), John Hinding, Director, APAs, Office of Associate Chief Counsel (International), and Michael Caballero, International Tax Counsel, U.S. Department of Treasury, participated on the panel. Michael Danilack explained that the LB&I realignment is continuing and that the APA program will soon be completely incorporated in LB&I. Sam Maruca said that the transfer pricing section wants to be more efficient and more responsive to taxpayers. They have hired many new team leaders and will have teams handling cases from beginning to end to help move cases quicker than in the past. Michael Danilack said that the more input LB&I get and the earlier that taxpayers engage them, the better and more responsive LB&I can be to help

taxpayers. He said that LB&I has a customer service oriented mission and would like the interests of taxpayers and the IRS to converge.

Michael Caballero gave a quick tax treaty update. The treaties with Switzerland, Luxembourg and Hungary have been reported out of the Senate Foreign Relations Committee and await Senate floor action. The Chilean treaty and the multilateral OECD protocol on the exchange of information are working their way through the system and should be sent to the Hill soon. The treaty with Poland has been completed but is still being interpreted. Once that interpretation is complete, it will be signed. The treaty negotiations with Spain are in the third round, and could be completed soon. Negotiations are also underway with Japan the U.K. and Vietnam.

The last panel on Thursday, October 6, was chaired by Dina Shapiro of American Express, and included Lewis Greenwald of Sullivan and Worcester, Michael Caballero, International Tax Counsel, U.S. Department of Treasury,

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Tax Policy

Fall 2011 Tax Committee Meeting is a Big Hit with NFTC Members

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and Jeffrey Parry, Assistant Branch Chief, Branch 3, International, Internal Revenue Service. This panel discussed FATCA, and Foreign Tax Credit splitter transactions. Michael Caballero discussed FATCA and the issues that Treasury is facing in drafting rules. He said that Treasury is looking at sets of issues, which if they can be resolved, would help clear up the problems of many countries at once. Treasury has heard from many financial institutions and many foreign governments, and they are working to make the FATCA reporting system as easy as possible.

Jeffrey Parry said that the IRS is still working on the Foreign Tax Credit Splitter rules and hopes to have guidance issued by the end of the year. The IRS is still struggling with how to handle the reverse hybrid rule and are considering which transactions can be dealt with under Section 901(m). The IRS is spending a lot of time determining how deal with group relief.



Denise Strain, Citigroup; Dan Kostenbauder, Hewlett-Packard; Michael Reilly, Johnson and Johnson; and Karl Schmalz, Exxon-Mobil.

The dinner speaker on Thursday evening, was former Senator Bob Packwood. Senator Packwood was the Chairman of the Senate Finance Committee during the Tax Reform Act of 1986. He discussed in detail how that tax reform bill came together and answered questions of the lessons of 1986 and how they could be applied in today's tax reform discussions. Senator Packwood was not hopeful that the political parties today could work in the same bipartisan spirit that existed during the debate in 1986.

To open the meeting on Friday, October 7, a legislative panel, moderated by Nick Giordano of Washington Council Ernst and Young, included Jim Lyons, Acting Chief Tax Counsel, Senate Finance Committee Minority, Jeff VanderWolk, International Tax Counsel, Senate Finance Committee Majority, George Callas, Tax Counsel, House Ways and Means Committee Majority, and Mike Hauswirth, Tax Counsel, House Ways and Means Minority. The members of the panel discussed the activities of the supercommittee, tax reform and the current legislative agenda. Mr. Lyons said that the supercommittee has a very short time to act. CBO has told them that they must finish their work by November 1 if there is to be time to score the final recommendations. He did not believe that there is enough time for the supercommittee to tackle tax reform, particularly because Senator Baucus has said that he wants to do comprehensive tax reform. Senator Hatch also supports comprehensive reform, and there is not enough time to look at individual and corporate reform in the supercommittee. The Senate will continue to hold tax reform hearings and is leaning toward a territorial-style system with lower corporate rates. George Callas said that comprehensive tax reform is Chairman Camp's top priority.

To get to tax reform, Congress cannot make piecemeal changes to the tax code to raise revenue under the auspices of "closing loopholes." All tax changes need to move together as part of tax reform. Mike Hauswirth disagreed with this and said that tax "abuses and corporate loopholes" could be dealt with to raise revenue as part of deficit reduction, without negatively affecting the tax reform discussions. The panelists agreed that members are looking at a territorial-style system, but said that there are all different types of systems that fall under that heading.

On the extension of the expiring provisions, the panelists agreed that there is not a clear vehicle to include the extenders on and none of the panelists were encouraging that they could be done this year.

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Tax Policy

Fall 2011 Tax Committee Meeting is a Big Hit with NFTC Members

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The final panel was on the economics and political realities of a VAT or other consumption tax system. The panel was chaired by Peter Merrill of PricewaterhouseCoopers, and consisted of Eric Toder, of the Tax Policy Center of the Urban Institute, Jim White of the General Accountability Office and Danny Cisterna, of Deloitte and Touche, Toronto, Canada. The panelists explained how VAT systems work in other parts of the world, with specific details on how and why the Canadians moved to a GST system. The key concerns of VAT systems—the regressivity, concerns about inflation, and political fall-out for companies moving to a VAT were all addressed by the panelists.

For more information, please contact, Catherine Schultz at cschultz@nftc.org.

Next Tax Lunch Forum Scheduled for November 9

The next NFTC Tax Luncheon Forum to discuss current international tax issues will be held on Wednesday, November 9, at 12:00 p.m. ET, at the NFTC offices, 1625 K Street, NW, Suite 200, Washington, DC. We are very pleased to announce that Steve Musher, Associate Chief Counsel, International, Internal Revenue Service has agreed to speak to us about pending regulatory issues and the IRS business plan. Please join us for this informative discussion and come prepared for a lively dialogue. Please complete the attached response form to attend or participate in the conference call and return it by Friday, November 4.

Click here to register: [http://www.nftc.org/default/tax/Lunch Tax Forum Registration Sheet.pdf](http://www.nftc.org/default/tax/Lunch%20Tax%20Forum%20Registration%20Sheet.pdf)

For more information, please contact Catherine Schultz at cschultz@nftc.org.

International Human Resources

International Benefits & Compensation Committee Houston, November 9th

In 2010 the NFTC established a new international human resource management committee centered in Houston. The new working group is modeled after the NFTC's New York City-based International Benefits Committee that has convened three times each year for over 20 years.

These two working committees provide a forum for experienced corporate international compensation and benefits management colleagues to meet along with subject matter experts from the major international actuarial, accounting, insurance and law firms and to address the design and delivery of competitive and cost-effective employer-sponsored compensation and benefit programs.

The next meeting will be November 9, 2011 at The Houstonian Hotel. The agenda will cover such topics as:

- Australia-Update on Benefits and Compensation
- Expatriate Compensation Packages for Senior Executives/Officers
- Eastern Europe/Russia-Update on Benefits for Local Staff
- China and India: New Social Insurance Requirements for Expatriates
- Global Benefit Data Systems-What Works? What is Needed?
- Crisis Management-Lessons Learned in 2011

The Steering Committee is comprised of Jenny Midy at of Baker Hughes, Ann Williams of Halliburton and Bill Sheridan of the NFTC.

For more information about the International Benefits & Compensation Committee contact Bill Sheridan at either 212-399-7128 or wsheridan@nftc.org.

Highlights of the
2011
World Trade Dinner



The National Foreign Trade Council Foundation would like to thank the following sponsors for their support of the 2011 World Trade Dinner



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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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