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.

December 2011—January 2012

Vol 12, Issue 7

A Word From the President

This month's commentary will focus on what's ahead. Now that the three FTAs are behind us (except for implementation, which we will follow closely), and the APEC meeting and U.S.-EU summit have come and gone, discussion of next moves has begun to heat up. A few days ago, Ambassador Kirk said the Administration would be seeking negotiating authority for the TPP agreement. At the U.S.-EU meeting, the two sides agreed to a far-reaching work program to determine how they could best further improve trade relations. Everything was to remain on the table, up to and including a free trade agreement. Announcements by Japan, Canada, and Mexico that they want to join the TPP talks have renewed interest in our trade relationships with all three. Last May, President Obama proposed a partnership with the EU to promote jobs and growth in the Mideast-North Africa region. Continuing its tradition of being a thought leader on trade policy, the NFTC has turned its attention to a number of new issues as well.

First, building on our work of creating and running the Middle East Free Trade Coalition and our management of the U.S.-Libya Business Association, we are working closely with USTR to put some meat on the bones of the President's MENA initiative. This has been and will continue to be a difficult area for doing business. While the "Arab Spring" has brought high hopes of a movement toward more accountable and democratic governments, in the short run it has increased the uncertainty about the region's future and encouraged many businesses to wait and see how events unfold before making substantial commitments. Chuck Dittrich of our staff will be working with our members to see what their goals are in the region and how we can help them achieve them.

In a previous President's Word, I have talked about one of NFTC's achievements that I am proudest of – our draft trade negotiating authority bill.

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NFTC Participates in APEC Summit

NFTC joined member companies and other U.S. associations as part of the U.S. business coalition effort in the Asia Pacific Economic Cooperation Forum. The Council hosted a forum on cross-border data flows, organized a nightcap conversation with member companies and Business Roundtable, participated in meetings with heads of state and key U.S. delegations, and helped provide business support for key outcomes related to green growth.

NFTC helped spearhead two events in APEC. One, co-hosted with Google, featured Deputy U.S. Trade Representative Michael Punke and Australia's and New Zealand's chief negotiators for the Trans-Pacific Partnership Agreement, Hamish McCormick and Mark Sinclair, and focused on the importance of setting new, high-quality standards internationally to permit cross-border information flows. NFTC also organized a small, informal "nightcap" conversation in collaboration with Boeing, Business Roundtable, Caterpillar, Microsoft, Procter & Gamble and Wal-Mart Stores.

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Inside this Issue:

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A Word From the President

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We prepared that in 2008 anticipating that a new president would seek renewal of the expired authority early in his term. That did not happen, but it now appears that the Obama Administration has realized it needs this authority if it is to accomplish anything else on the trade front in the future. As a result, we have already begun meetings with our members to dust off our bill and update it in light of the new issues that have arisen in the past three years. If anyone not already involved in that process wants to join our efforts, please let me know.

One of our significant accomplishments this past year was the issuance of a paper on cross-border data flows. This document, which is notable for the breadth of its support among service providers, manufacturers, financial institutions, and content creators, lays out a detailed set of priorities for dealing with the growing propensity of governments to erect roadblocks to the movement of data, adversely affecting virtually everybody who does business on the internet. We are currently in the process of presenting our paper to the Administration, and doubtless, we will have more to report on this in the future.

Similarly, we have also put out a paper on trade priorities in environmental goods and services, an issue of great importance to a number of our members who have developed products and services in that sector. Jake Colvin traveled to Durban, South Africa, to attend the UNFCCC meeting with a number of our members working to combat the efforts of some other nations to weaken intellectual property protections for green technologies. This complements perfectly our cross-border data work, which also emphasizes the need for strong IP protection.

In that same space, our Global Innovation Forum is also working directly with the Obama Administration to develop an agenda for a 21st century innovation policy.

Finally, we have also begun the process of revitalizing our WTO Project. Sadly, it is not realistic at this point to ask companies to continue to support a project exclusively focused on the Doha Round, although, we have not given up hope that some way can be found to resurrect it. However, the WTO itself remains the most important trade organization in the world, and there is much we can do both to support its battle against protectionism and to advocate for new initiatives that can move forward while the Round is stalled. We have asked Stuart Harbinson, our representative in Geneva, to prepare a memo on non-MFN agreements that are permitted within the WTO, and we have begun a process with our members who participate in this Project to determine what initiatives we want to support going forward consistent with WTO rules. If you want to join that dialogue, Jake Colvin is the person to see.

This is not our whole agenda by any means – for example our ongoing TPP work continues – but these items are examples of the NFTC's efforts to shape critical thinking on trade policy as it begins to evolve more rapidly. We welcome your help in that effort.

Highlights from the 2011World Trade Dinner

Bill Reinsch, NFTC & Ambassador Han Duk-soo, Embassy of Korea

Ambassador Ali Suleiman Aujali, ,Embassy of Libya & Carolyn Brehm, Procter & Gamble

Bill Daley, Assistant to the President & Chief of Staff; Charles Levy, Cassidy Levy and Ambassador Karan Bhatia, General Electric

Diana Sedney, Chevron; Ambassador Han Duk-soo, Embassy of Korea; and Bill Ichord, ConocoPhilips

NFTC Participates in APEC Summit

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The discussion featured United States Trade Representative Ron Kirk, Australian Trade Minister Dr. Craig Emerson and New Zealand Trade Minister Tim Groser, who discussed the future of the World Trade Organization and multilateral trading system. NFTC Vice President Jake Colvin also chaired a business community meeting with U.S. Undersecretary of State Robert Hormats and U.S. Senior official for APEC Ambassador Kurt Tong, and participated in several business coalition meetings with heads of state.

NFTC released a statement following the conclusion of the meetings, commending leaders for committing to a set of policies that will encourage green growth and development across APEC member economies. NFTC applauded the commitment to reduce by the end of 2015 applied tariff rates to five percent or less on an APEC list of environmental goods, and encourage leaders to make clear the importance of developing a robust and concrete list of those goods in 2012. Leaders also pledged to eliminate existing local content requirements that distort environmental goods and services trade in the region by the end of 2012, and refrain from adopting new ones. NFTC had joined with Australian Industry Group, BusinessNZ and Federation of Korean Industries in a May 6 letter to trade ministers during the APEC meetings in Big Sky, Montana, to call for exactly that pledge. The key for next year, when Russia hosts, will be to implement the commitments that have been made, which will be important in its own right, and which could also have a positive impact on the effort underway in Geneva to eliminate green trade barriers under the World Trade Organization.

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

Trans-Pacific Partnership (TPP) Takes Center Stage at APEC Leaders' Summit

Without revealing substantive commitments to date or addressing possible outcomes of more contentious issues yet to be negotiated, the TPP managed to gain momentum and capture broad attention at the Honolulu APEC Leaders' Summit in November. The Trade Ministers of the nine nations negotiating the Trans-Pacific Partnership issued a report to the nations' Leaders providing a broad outline that:

- Affirms their commitment to concluding a high-standard 21st century agreement and achieving consolidated text in virtually all negotiating groups;
- Notes a collective commitment to concluding a fully regional agreement with comprehensive market access covering all goods and services in a single schedule, with a common set of rules of origin and investment packages covering all sectors;
- Confirms consensus to create a forward looking trade regime that breaks ground on new disciplines to reflect rapidly evolving technologies and business models and cross cutting issues promoting regulatory coherence, competitiveness and economic integration to nurture and facilitate regional supply chains and easier market entry for small and medium sized businesses; and
- Commits to create a living agreement that can respond in a timely way to future trade issues and new partners will serve as a catalyst to economic development and increased governance in partner economies.

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Trans-Pacific Partnership (TPP) Takes Center Stage at APEC Leaders' Summit

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Issuing a consensus document representing the views of all negotiating partners is considered an accomplishment in itself, and is reflected by the nuance and lack of detail. The precision of the language does not resolve known differences such as whether the U.S. will participate in one common market access schedule or whether the scope and coverage of investor-state dispute settlement (ISDS) will include commitments by Australia, which has proclaimed a policy to enter into no new ISDS.

Perhaps the single most compelling motivational factor to redouble efforts to address difficult issues not yet agreed upon was the dramatic expression of Japan's interest in joining the TPP. While press reports all but put them at the table, in fact Japan simply announced its "intention to seek entry," which translates into an aspiration rather than commitment to take steps necessary to meet the price of entry.

However, attention garnered by Japan was soon followed by Canada's Prime Minister's remarks that Canada "expresses formally our willingness to join the Trans Pacific Partnership and the reason we're doing this . . . that we looked at yesterday the outline, the criteria actually set by the partnership, and they're all criteria that Canada can easily meet." In other words, the broad outlined released was so general, that Canada could meet the commitments as stated without dismantling its supply management approach to dairy market access.

The expressions of interest concluded with a rather more straightforward Mexican statement that the Mexican "Minister of Economy (Secretary Ferrari), following the instructions of President Felipe Calderón, expressed the interest of Mexico to join the TPP process of negotiations. He announced that Mexico will begin consultations with TPP member countries and with our domestic producers and stakeholders to participate in this initiative."

This seeming rush of new entrants focused attention on timing, and whether the nine partners would conclude the agreement before Japan, Canada or Mexico had a seat at the negotiating table to influence the final commitments. This pressure will serve as a catalyst for negotiators to tackle a range of outstanding issues including substantive IP, investment, competition policy, market access labor and other elements still on the table.

When the dust settled, what is becoming clear is that any new entrant will be bound to meet the following criteria:

Contributing to rather than potentially watering down the high standard commitments being sought in the TPP;

Adding momentum to completion rather than slowing down final agreement; and

If they do join negotiations before the first phase is concluded, agree to accept agreements to date and not to reopen any text that has been concluded.

Since all parties still must go through a rigorous series of individual bilateral consultations with each of the nine TPP negotiating countries before the current partners come to consensus on new entrants, the last criteria provides additional impetus to close outstanding text before negotiations become potentially exponentially more complicated with new entrants.

All of this somewhat orchestrated Honolulu rollout of TPP's progress to date managed to dodge any overt signs of difficulty, reinforced the TPP's strategic position as the vehicle of choice to ultimately create an Asia-Pacific free trade area, and provided further incentives to those current members to exercise their power as founding members to set the terms for future entrants.

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News for Our Members

Trans-Pacific Partnership (TPP) Takes Center Stage at APEC Leaders' Summit

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While we can expect negotiators to seek further progress out of the spotlight, conducting smaller inter-sessional meetings this month and in January and continuing to exchange information in support of offers already tabled, before meeting for the next full negotiating round in Australia in March of 2012. Whether conclusion is in sight in the first half of 2012, or next year at all, remains to be seen.

For further information on NFTC's work related to the TPP negotiations, contact Chuck Dittrich at cdittrich@nftc.org.

NFTC joins with Citi, Google, Microsoft, Visa & Others on New Trade and Information Effort

In November, NFTC held a press conference to release a set of U.S. business community policy priorities for modernizing the international trade rules and practices governing cross-border flows of data and information technologies.

For several months, a loose coalition of companies and associations has been discussing the importance of cross-border data flows under a process chaired by NFTC President Bill Reinsch. Individuals and businesses would benefit from a more consistent and transparent framework for the treatment of cross-border flows of goods, services and information. As the principles that NFTC released note, "Access to computers, servers, routers and mobile devices, services such as cloud computing…and information is vital to the success of billions of individuals, businesses and entire economies. In the United States alone, the goods, services and content flowing through the Internet have been responsible for 15 percent of GDP growth over the past five years."

While issues of access to information are often framed as human rights issues, this effort is an attempt to highlight the important commercial implications of secure and reliable access to the Internet and networked technologies. It's not just IT companies who rely on cross-border data flows in the digital age. Manufacturers, accountants, universities, labs, and NGOs depend on digital goods and services. In order to create jobs and permit the digital economy to function and grow, countries need to make sure global trade rules governing information flows are up to date.

The policy priorities were developed by a core group of associations and companies through a process convened under the National Foreign Trade Council. A variety of America's leading companies, including Citi, Google, IBM, MasterCard, Microsoft and Visa, joined the NFTC and other associations including the Business Software Alliance, Coalition of Services Industries, Software & Information Industry Association and U.S. Council for International Business to craft the document.

The Council is planning a series of meetings with Administration and congressional staff, as well as discussions with foreign businesses and governments to socialize the ideas contained in the principles.

The policy priorities are available at:
http://www.nftc.org/default/Innovation/PromotingCrossBorderDataFlowsNFTC.pdf

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

News for Our Members

NFTC Hails Russian Progress toward WTO Accession and Urges Congress to Exempt Russia from the Jackson-Vanik Amendment

On November 7, the WTO Working Party on Russian accession approved the 750-page package submitted by Russia. The NFTC, which participates in the business coalition supporting Russian accession, applauded the U.S. negotiators for working with other WTO members to successfully develop the package after 18 years of effort. USTR summarized the agreement as a "tool kit" for managing the U.S. Russian trade relationship that has been previously lacking. The agreement will provide market-access for U.S. goods and services and rule-based disciplines for trade. NFTC president Bill Reinsch issued a statement congratulating the USTR negotiating team: "We applaud their commitment to and success in negotiating a high-quality package outlining the terms of Russia's accession to the WTO."

The key issues resolved in the final negotiations, include the Swiss-brokered agreement between Georgia and Russia on border and customs issues, an enforceable Russian commitment to join the ITA at the time of WTO accession, a very extensive commitment on SPS to abide by WTO rules for science-based treatment, full protection of the U.S. definition of high quality beef and exclusive assess for beef products, a commitment to enforceable treatment of IPR under TRIPS, and a commitment to bring the Russian auto-assembly program into WTO conformity by July 1, 2018.

The WTO ministerial that begins on December 15 will issue a formal invitation to Russia, at which time the U.S. will invoke non-application pending congressional exemption of Russia from the Jackson-Vanik amendment. Russian accession is complete upon ratification by the Duma, expected in early 2012. The U.S. will be excluded from the benefits of Russia's WTO accession until Congress acts to exempt Russia from Jackson-Vanik.

The NFTC, as part of the U.S.-Russia Business Council-led coalition supporting Russia's accession, is lobbying Congress to exempt Russia from Jackson-Vanik. A significant hiatus between accession and exemption would provide Asian and EU competitors with significant advantages over U.S. companies in the Russian market.

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

*USA*Engage*

Iran Sanctions: Play It Again Sam

It was not surprising that the House Foreign Affairs Committee unanimously reported out HR 1905, the Iran Threat Reduction Act (ITRA) on November 2nd and that the House passed by a vote of 410-11 on December 14th. Nor was it surprising that the committee added the amendment, co-sponsored by Ranking Member Howard Berman (D-CA) and Chairman Ileana Ros Lehtinen (R-FL), to enjoin the President to sanction the Central Bank of Iran (CBI) and thereby attempt an extraterritorial, indirect embargo on the sale of Iranian crude oil into the world oil market.

What was surprising was that on December 1, the Senate voted 100-0 to adopt the amendment offered by Senators Robert Menendez (D-NJ) and Mark Kirk (R-IL) that would do the same thing as its House counterpart. This in spite of the argument made by the Administration, USA*Engage and the U.S. Chamber of Commerce that the stratagem would fracture the multilateral coherence of the effort to compel Iran's ruling regime to halt the country's nuclear program, add to the risk premium undergirding global prices, and, to the degree global oil supplies are reduced, cause world oil prices to skyrocket.

So much for the apocryphal tradition that, on his return from France, Jefferson called Washington to account at the breakfast-table for having agreed to a second chamber. "Why," asked Washington, "did you pour that coffee into your saucer?" "To cool it," quoth Jefferson. "Even so," said Washington, "we pour legislation into the senatorial saucer to cool it."

Iran Sanctions: Play It Again Sam

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In a fascinating morning preview of the evening Senate vote, the Senate Foreign Relations Committee held a hearing on "U.S. Strategic Objective Towards Iran." The Administration witnesses, Undersecretary of State for Political Affairs Wendy Sherman and Treasury Undersecretary for Terrorism and Financial Intelligence David Cohen, were told that the Administration efforts to stop Iran's development of nuclear weapons were insufficiently muscular.

In the course of the hearing, the Senators present articulated several, presumably inarguable, assumptions: (1) Iran is the most dangerous country on planet Earth; (2) Iran is months away from achieving a nuclear weapon; (3) U.S. extraterritorial sanctions, if thoroughly applied, can compel Iran to cease and desist. In fact, the first is highly debatable (Pakistan?); the second is unwarranted from the evidence and the historical record, and the third has no historical precedent. And if the first two are true and the third is not, then the U.S. strategic objective towards Iran is a march to war.

What seems beyond the capacity of Congress is an alternative view; best articulated in a December 1 Financial Times editorial by former British Foreign Secretary David Milliband and Nader Mousavizadeh, chief executive of Oxford Analytica:

"We subscribe to the view that the price of a nuclear-armed Iran would be very high – unacceptably high. Iran's capacity to destabilise the region would increase considerably. The response from Saudi Arabia, Turkey and others would mean the end of the non-proliferation treaty. The chance that nuclear weapons would be used would be much closer.

"But that is not an argument for military action now or in 2012. We are not talking about a discrete – or discreet – strike here. Avowed Iranian nuclear facilities are numerous and the regime does not lack for ammunition or targets in return. In addition to its own missile stores, Iran is invested in regional proxy armies, such as Hizbollah. All the war games show that targets as diverse as Saudi Arabia and the Emirates, Israeli and US facilities and the Straits of Hormuz would come into play.

"For these reasons we must avoid military action becoming a self-fulfilling prophesy. Diplomacy must take the lead in preventing a major war with Iran – for that is what it would be. What is more, the regime faces at least four serious challenges of its own. First, it is clear that sanctions, cyberwar and covert operations have impaired Iran's progress towards a nuclear weapons capability, with most estimates holding that the regime is at least two years away from achieving it. To be clear, no one has made the case such an achievement is imminent.

"Second, IAEA inspectors continue to monitor key installations and operations, providing a tripwire presence able to signal any dramatic change in policy or practice by Tehran. It would be disastrous if the fallout from the Iranian storming of the British embassy included the harassment or expulsion of inspectors by the regime.

"Third, Iran's strategic influence in the region is waning. Its sole ally in the Arab world, the Syrian regime, is badly weakened and probably entering an end game. Among the Arab public, Iran's popularity has plummeted since the highs of the 2006 Lebanon war.

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Iran Sanctions: Play It Again Sam

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"Fourth and too often neglected, are the aspirations of the Iranian people. They have often shown that they do not share the regime's hostility to the world and instead aspire to the same kinds of open government that the youth of the Arab world are reaching for.

"At a time like this, diplomatic drive and creativity are needed more than ever. Now is the time to support, directly and indirectly, the pressures on a regime currently fractured on all matters except the nuclear programme. And in this endeavor, war talk weakens our hand – strengthening the most uncompromising forces within Iran and corroding global cohesion in opposition to the programme.

"Non-military options have not yet succeeded, but nor have they failed. However, exasperating the diplomatic track growing talk of a military option risks creating a logic all of its own, where the appalling consequences of a military strike are set to one side and a precipitate and unwise move to war becomes acceptable wisdom.

"Nature abhors a vacuum and so does international politics. It cannot be filled by nudges and winks about military options. A concerted diplomatic effort on Iran is needed now to prevent the world sleepwalking into another war in the Middle East."

USA*Engage Expresses Deep Disappointment Over Senate Approval of Iran Sanctions Amendment to Defense Authorization Bill

USA*Engage on December 1st released the following statement in response to the U.S. Senate's approval of an amendment to the National Defense Authorization Act of 2012, which would impose additional U.S. unilateral sanctions on Iran.

*"We are deeply disappointed with the Senate's vote to approve amendment 1414 to the defense authorization bill. While the amendment was likely well-intentioned and aimed at making a strong political statement to the Iranian regime, as history has proven time and time again, unilateral U.S. sanctions are ineffective. Today's vote was both ill-timed and ill-advised. Should world oil prices spike as a result, Iran will be the beneficiary," said Bill Reinsch, President of the National Foreign Trade Council and Co-Chair of USA*Engage.*

*"Just last week, the United States joined with our allies in the international community in a coordinated effort to enact 'smart,' multilateral sanctions on Iran – a move that USA*Engage welcomed – and now we have the Senate working at cross-purposes to enact stand-alone unilateral sanctions legislation," said Richard Sawaya, Director of USA*Engage. "Saying that the amendment approved today is 'counterproductive' is an understatement. It could jeopardize the strength of the entire international consensus on multilateral Iran sanctions the United States has worked so hard to develop."*

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

Camp Issues Tax Reform Discussion Draft

On October 26th, House Ways and Means Committee Chairman Dave Camp issued a tax reform discussion draft. The discussion draft focused on the international taxation of worldwide American companies, and is only the first step in a larger, more comprehensive tax reform debate. Other drafts dealing with individual and domestic corporate reform will follow.

The draft issued by Chairman Camp focused on the move to a territorial-style tax system that provides for a 95% participation exemption for certain foreign source income and a reduction in the top corporate tax rate to 25%.

The proposal included provision to:

- Reduce the corporate tax rate to 25%.
- Provide for a territorial-style tax system that would provide for a deduction equal to 95% of foreign-source dividends received by a 10% U.S. corporate shareholder from a Controlled Foreign Corporation (CFC).
- Treat foreign branches of U.S. parents as CFCs.
- Treat 10/50 companies as CFCs if shareholders elect to treat all of their 10/50 companies as CFCs to avail themselves of the 95% exemption.
- As a transition rule, provide for an eight-year deemed repatriation of all foreign earnings at 5.25%. Taxpayers could use a ratable portion of the FTC carryovers to further reduce the 5.25% tax.
- Provide for a thin capitalization rule that would disallow a portion of net interest expense if a U.S. company that is a member of a worldwide group fails two tests: a) the U.S. group is overleveraged relative to the worldwide group; and b) the U.S. company's net interest expense exceeds a certain percentage of adjusted taxable income.
- Provide for several options (not all inclusive) to address potential abuses, including: a) the Obama "excess returns" proposal, b) a variation on the low effective tax rate test used in Japan, c) subjecting royalties to a maximum tax rate of 15%. Staff is open to other anti-abuse provisions and asked stakeholders to explain other possible options to them.
- There are several issues that were not addressed in the Camp proposal, including: overall domestic and foreign loss accounts, tax redeterminations—refunds and/or additional taxes paid, Subpart F changes, including with respect to recapture accounts, dual consolidated losses, tax treaty implications and cross-border reorganizations.
- The staff also raised several questions that they would like to receive constructive feedback on:
    - How can thin capitalization rules be designed to effectively protect the U.S. tax base with minimum impact on the competitiveness of American businesses?
    - What are the pros and cons of treating foreign branches as CFCs? Should foreign branches continue to be treated as disregarded entities instead?

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Camp Issues Tax Reform Discussion Draft

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- How should foreign partnerships with U.S. corporate partners owning interests of at least 10% be treated? What special rules might be necessary to incorporate them into the new regime?

- Is the 95% exemption for certain capital gains appropriate? Are any additional anti-abuse rules needed in this area?

Staff said that the draft was released at this time in order to generate feedback from stakeholders on the provisions included in the draft. The NFTC Legislative Working Group has been compiling company concerns and will work with the Ways and Means Committee to modify the discussion draft as the tax reform debate moves forward.

If you would like to participate in this discussion, please contact Catherine Schultz at cschultz@nftc.org.

NFTC, Other Leading Business Associations Request FBAR Relief for Employees of SEC-Reporting Worldwide American Companies

Seven leading U.S. business community associations, including the NFTC, in November released a letter sent to the U.S. Treasury Department earlier this month, requesting that the Financial Crimes Enforcement Network (FinCEN) adopt less burdensome rules for Foreign Bank and Financial Accounts (FBAR) filings required by employees of worldwide American companies involved in global finance, which report to the U.S. Securities and Exchange Commission (SEC). In a letter to FinCEN Director James H. Freis, Jr., the associations – which, in addition to the NFTC, included the Financial Executives International Committee on Taxation, United States Council for International Business, Software Finance and Tax Executives Council, U.S. Chamber of Commerce, TechAmerica and Information Technology Industry Council – wrote:

"Multinational companies are increasingly frustrated by changing rules that unnecessarily expand the FBAR filing requirements for their employees, create traps for innocent violations and potentially impose costly penalties.

"…The current rules are burdensome and complex and create the potential for inadvertent errors by corporate finance employees. Indeed, the latest FBAR rules arguably are more burdensome than the prior guidance – with no apparent justification. Because this issue affects most multinational companies, it likely impacts thousands of corporate employees in the US and abroad and potentially requires hundreds of thousands of unnecessary FBAR filings."

For more information, contact Catherine Schultz at cschultz@nftc.org, and to read the text of the letter, visit: http://www.nftc.org/default/tax/Freis ltr - fbar 11 4 11.pdf.

The NFTC Foundation will host its 11th Annual International Business and Human Resources Forum on March 21-22, 2012 in Houston

The focus of the 2012 forum will be on business and human resource management challenges in new or expanded markets, especially in the resource sectors. Topics that will be included in the agenda are:

- Employing and Deploying Mobile Talent in the 21st Century
- Risk Management in the Energy and Minerals Sectors
- China and the United States: A Perspective from Washington
- Africa: Competing for Talent
- International Employee Benefits Trends: Australia, Brazil, India, Mexico and the U.K.
- What Is The Future of Global Mobility Management?
- Indonesia: The Race for Resources
- Libya: Managing the Return to Normal
- International Human Resource Issues and Answers in Brazil, Canada, China, India and Saudi Arabia
- Talent Management and Mobility: The How, Not Why

In addition to subject matter experts from Ernst & Young LLP. Mercer, MetLife International, the National Foreign Trade Council and SIRVA the faculty will include colleagues from the American-Indonesian Chamber of Commerce, Accenture, BHP Billiton, GE Energy, Intel, the U.S.-Libya Business Association, Nokia and other companies to be announced shortly.

The agenda and registration information will be available soon. For more information contact Bill Sheridan at wsheridan@nftc.org.

Calendar of Events

Date	Event and Location
January 3, 2012	Breakfast Briefing with Gene Cretz, U.S. Ambassador to Libya, and Jose Fernandez, Assistant Secretary of State for Economics, Energy and Business Affairs
January 5, 2012	Trade Committee Meeting with Canadian Embassy Trade Team on TPP Interest and Other Recent Issues
February 29, 2012	International Benefit Committee Meetings - New York City
March 21.22, 2012	Annual International Human Resource Management Forum - Houston TX
May 9, 2012	International Compensation & Benefits Committee Houston, TX
June 7, 2012	International Benefit Committee Meetings - New York City
September 19-21, 20112	Expatriate Management Committee Meeting* - Montreal, Canada
October 4, 2012	International Benefit Committee Meetings - New York City
October 10-12, 2012	International Assignment Management Committee Meeting * - Englewood, CO
Fall 2012	2012 World Trade Dinner and Award Ceremony - TBD
Fall 2012	NFTC Annual Meeting - TBD

**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 email nftcinformation@nftc.org*

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