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.

February—March 2012
Vol 12, Issue 8

A Word From the President

To the surprise of some in the trade community who thought it had died a quiet death, the President last month rolled out his trade reorganization plan. He proposes to combine a number of trade agencies – the Export-Import Bank, Overseas Private Investment Corporation, U.S. Trade Development Agency – along with USTR and the Small Business Administration into a revamped Department of Commerce. Commerce would gain those agencies and lose NOAA (to the Interior Department), which currently constitutes roughly half its budget and personnel. The result would be a smaller department more clearly focused on trade, competitiveness and economic development.

The immediate reaction of the commentariat on the merits of the proposal was negative, although, there was some support expressed for his parallel request that Congress restore his authority to submit reorganization plans that would be considered under kind of a fast-track process. With both proposals, however, there was a near-universal view that they were unlikely to happen, regardless of their merit, or lack thereof. Republicans are assumed to be reluctant to give the President new authority to do anything in an election year, and both parties appear to be skeptical of the proposal on its own terms.

The main reason for the skepticism is the proposal to fold USTR into Commerce. The trade community, as well as Congressional committees of jurisdiction, has long been protective of USTR, taking the view that its bureaucratic leanness (only about 250 people), and location in the Executive Office of the President, made it an exceptionally effective organization that had served the country well. Even though the proposal plans for the USTR to remain a member of the cabinet and have access to the President, there is a lot of fear that both he (or she), as well as the agency, will be swallowed up in the larger Commerce bureaucracy, lose its ability to be an honest broker among other agencies and be rendered less effective.

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NFTC, USA*Engage File *Amicus* Briefs with Supreme Court in Major Alien Tort Statute Case

On February 3, the NFTC and USA*Engage filed an *amicus* brief with the Supreme Court in support of the defendant in *Kiobel v. Royal Dutch Petroleum*. Also joining in the brief were the American Petroleum Institute, the National Association of Manufacturers, the U.S. Council for International Business, the Organization for International Investment and the American Insurance Association. The Court granted *certiorari* for appeal of a ruling by the Second Circuit, which held that there is no corporate liability under the Alien Tort Statute. There is a conflict among Circuit Courts on corporate liability and the standard for finding liability under the ATS. The NFTC/USA*Engage brief affirms the Second Circuit's ruling on corporate liability and further argues that "even if the Court were to reject that contention, the judgment should be affirmed on the alternative ground that establishing aiding and abetting liability requires pleading and proving purpose to facilitate the direct violator's unlawful conduct, not mere knowledge of the conduct." The standard of "knowledge" of violations of international law, as opposed to "purpose" to further violations, is central to the conflict among Circuits.

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A Word From the President

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To the extent that other governments perceive a demotion here, even if one was clearly not intended, it would also harm the USTR's ability to negotiate because he would no longer be meeting with his ministerial counterparts but at a lower level.

Those are the fears, and I have to say I have some sympathy for them. As has been the case with virtually all trade reorganization proposals over the years – and there have been a lot of them – it has proven easier to criticize the *status quo* than it has to come up with a better arrangement of the deck chairs. Each new proposed structure appears to have as many, if not more, problems as the current one. Unmentioned in the argument so far is the other reality of any reorganization – that it effectively postpones any serious policy making for at least a year.

When a reorganization happens, bureaucrats immediately do what human instinct tells them to do – take care of themselves. What that means in practice is that the first year is spent worrying about reassignment of offices and parking spaces, the new logo and new stationery, and, most important, the new office directors and deputy assistant secretaries that might be created, meaning potential promotions. The common mantra at early meetings will quickly become, "We can't make a decision about that right now, because the new people are not on board yet." Even though the "new" people in fact are the "old" people, it can take months for that to become clear because the wheels of the personnel system grind exceedingly slowly, particularly when large numbers of people are moving from one agency to another.

The unfortunate part of this episode is that the widespread criticism of the proposed fate of USTR has allowed everyone to ignore the fact that other parts of the proposal may actually make sense. In particular, the idea of reorganizing Commerce around the four pillars of trade, statistics, innovation, and economic development is a thoughtful approach that plays to the department's strengths.

That suggests it would be nice to have a more balanced debate about the entire proposal, but given the likelihood that it will not be enacted anyway, I suspect most of us will decide we have better things to do than spend time on something that was essentially dead before it even arrived.

NFTC Releases New "21st Century Work Program" for the WTO

Following a decade as one of the leading business associations advocating for a single, broad-based approach to multilateral trade negotiations, NFTC recently released a new work plan that calls on the United States and other economies to "develop new ideas and pathways for advancing an ambitious and achievable multilateral agenda to support broad-based economic growth and development." In a paper signed by NFTC President Bill Reinsch and NFTC WTO Project Chair Scott Miller of Procter & Gamble, the Council suggests that putting the Doha Round at the center of the trading system will marginalize the World Trade Organization as a negotiating forum.

Instead, the groups call for countries to pursue a more flexible approach, working on issues that matter to businesses and individuals through new processes that limit the ability of individual countries to thwart progress on new trade deals.

NFTC highlights several urgent issues that should be addressed at the WTO, including concluding a trade facilitation agreement with broad support and initiating negotiations with a group of countries for a services agreement.

The Council also suggests the WTO could address 21st century global challenges such as mitigating and adapting to climate change, improving global health outcomes, and optimizing the digital economy by discussing trade-related solutions through the committee process. NFTC Senior advisor noted in a speech last year that, "These bodies flourished in the period between 1995 and 2001," but, since Doha, "the regular machinery of the organization has to a significant extent faded into the background."

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NFTC Releases New "21st Century Work Program" for the WTO

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Given the difficulty in obtaining unanimous agreement on how to proceed with trade liberalization at the WTO, NFTC asked Sidley Austin to research what can be accomplished legally under WTO rules by a coalition of countries. The Council released a detailed "Analysis of WTO-consistent approaches to plurilateral and non-MFN trade agreements," prepared by Ambassador Stuart Harbinson and Bart De Meester of Sidley Austin's Geneva office, which suggests a wide latitude for negotiating new commitments on market access and rules across goods, services and intellectual property disciplines. Their analysis provides a solid legal road map for countries seeking to negotiate new agreements.

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

NFTC, USA*Engage File Amicus Briefs with Supreme Court in Major Alien Tort Statute Case

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The NFTC/USA*Engage brief also argues that the ATS can create friction with other countries because by asserting "the extraterritorial jurisdiction by U.S. courts over such conduct could provoke discord, not promote harmony, within the international community."

The NFTC/USA*Engage brief's argument is centrally important to the U.S. business community because virtually all corporate alien tort cases have been lodged on the ground that companies aided and abetted violations committed by the governments of countries in which they have operations. The *Kiobel* case is only the second time the Court has taken an ATS case. The Court's 2003 ruling in *Sosa v. Alvarez-Machain* directed federal courts to take a narrow view of corporate liability, adhering to the torts originally envisioned by the 1789 statute. The *Sosa* decision, however, left open the issue of corporate liability and did not reach the issue of aiding and abetting. Although the issue under appeal in *Kiobel* is corporate liability, the NFTC/USA*Engage brief, written by Seth Waxman of Wilmer Cutler and former U.S. Solicitor General, asks the Court to address aiding and abetting if it does not affirm the Second Circuit's ruling that there is no corporate liability under the ATS. A ruling by the Court that there is no aiding and abetting liability would be a major advance. Oral argument will be heard on February 28.

Also, on February 3, the NFTC, along with the American Petroleum Institute, the Organization for International Investment and the National Mining Organization, filed an *amicus* brief supporting a petition for *certiorari* with the Supreme Court in the case of *Rio Tinto v. Alexis Holyweek Sarei.* In 2006, the NFTC filed an *amicus* brief with the 9th Circuit supporting the defendants brief for a re-hearing *en banc* of a panel's ruling that Rio Tinto had failed to exhaust domestic remedies in the case. Rio Tinto is now appealing the 9th Circuit's reversal of a district court's decision that the company was complicit in war crimes and genocide in Papua New Guinea in the 1980s during a secessionist revolt in Bougainville. Plaintiffs in the ATS suit allege that Rio Tinto aided and abetted crimes committed in the course of the rebellion. Since corporate liability is under review by the Supreme Court in the *Kiobel* case, the cert petition in this case asks the Court to address whether U.S. courts should recognize a claim under federal common law based on aiding and abetting liability and whether the defendant acted purposefully to aid the violations.

The cert petition points out the deep divisions among circuits over whether liability requires mere knowledge of a violation or purposeful assistance of a violation and urges the Court to limit liability to a finding of purpose. The brief concludes that the case should be dismissed under a standard of purpose by citing the dissent of Ninth Circuit Court Judge McKeown that "the complaint fails to allege the necessary purpose to survive the motion to dismiss."

For additional information, contact Dan O'Flaherty at doflaherty@nftc.org or Bill Reinsch at breinsch@nftc.org.

After Four Months of Focused Smaller Meetings, TPP Gears Up for March Melbourne Round

Since the Trans Pacific Partnership (TPP) Trade Ministers' announcement at the November 2011 Honolulu APEC Leaders' Summit of a broad outline of outcomes and next steps, effort has focused on smaller more focused meetings on key areas of a range of issues where further discussion and explanation was required. These generally focused on issues of technical complexity that required more background discussion than allowed for in a negotiating round, those issues with large amounts of data to analyze, or new issues that required additional information and context to fully prepare negotiators for the coming round.

The next negotiating round of the nine TPP countries (Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam) will occur from March 1-9 in Melbourne, Australia. In anticipation of intensified negotiations, USTR has designated additional senior USTR officials to help manage the TPP negotiations. Barbara Weisel will continue to manage the overall negotiation. In addition, Doug Bell, Counselor and AUSTR for Trade Policy and Economics will coordinate all aspects of market access negotiations. AUSTR for Services & Investment Christine Bliss will coordinate the services cluster of negotiations. AUSTR for Intellectual Property and Innovation Stan McCoy will coordinate IPR issues. AUSTR for WTO and Multilateral Affairs Chris Wilson will coordinate rules, trade remedies and government procurement.
AUSTR for Environment and Natural Resources Mark Linscott will coordinate environment, technical barriers to trade, regulatory coherence, environment and sanitary/phytosanitary negotiating groups. Ken Freiberg, Deputy General Counsel, will manage legal issues chapters and other legal issues in the negotiations as they arise.

Prospective TPP partners, Japan, Canada and Mexico, have begun to undertake the necessary bilateral consultations with each current TPP partner including the United States. Minister-Counselor, Economic and the trade policy team of the Canadian embassy met with the NFTC trade committee to outline Canada's interest in joining the negotiations, and NFTC staff have met with the Mexican embassy trade policy team and Mexican Ambassador Arturo Sarukahn will host the NFTC board of directors in late February at a dinner at his residence the evening before NFTC's winter board meeting. In January, USTR solicited public comments on each nation's expression of interest in joining the TPP and it is anticipated that the interest of new members' joining the negotiations will be on the agenda in Melbourne assuming all bilateral consultations have been completed. NFTC's comments on Japan, Canada and Mexico's interest in joining the TPP may be found here. When and if there is a consensus decision on admitting any new entrants, it is expected that the U.S. Administration will follow lapsed Trade Negotiating Authority protocol in officially notifying Congress of its intention to enter into negotiations with any new partner country, and then wait the requisite ninety days before commencing such negotiation.

While U.S. and other officials are refraining from predictions on when the negotiations might conclude in agreement, the June APEC Trade Ministers meeting is likely the next milestone, when Trade Ministers of all negotiating partners will meet.

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

Middle East Update

On February 1, the NFTC and the U.S.-Middle East Free Trade Coalition met with AUSTR for Europe and the Middle East Dan Mullaney and his team for an update on recent USG and USTR activities in the MENA region, a progress report on the Trade and Investment Partnership Initiative for the Middle East and North Africa after analysis of October Federal Register comments, and a discussion of the 2012 U.S. trade policy agenda for countries in the region. USTR's work on the Trade and Investment Partnership Initiative for the Middle East and North Africa is primarily focused on bilateral trade and investment with Egypt and Tunisia at the moment. U.S. investment promotion activities in Egypt and Tunisia could expand to Libya as well. The U.S.-Tunisia TIFA talks were re-launched in October 2011 focusing on market access, investment in services, SMEs, and regulations.

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Middle East Update

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On January 18, USTR Ron Kirk and Egyptian Minister of Industry and Foreign Trade Eisa met to discuss the development of an action plan to increase exports, expand investment, and support small and medium enterprises (SMEs), with the ultimate goal of stimulating job creation.

While the next steps in bilateral engagement with Egypt and Tunisia are being developed, USTR has also been working with the EU on all aspects of the Trade and Investment Partnership Initiative, as well as reaching out to Turkey and the Gulf countries to promote the intraregional aspects of this initiative. On January 15, the U.S. and Saudi Arabia held their first TIFA meeting in three years. That same day, the U.S. Department of State and the UAE Ministry of Foreign Affairs signed a memorandum of understanding establishing an Economic Policy Dialogue that will address issues including bilateral trade and investment, sector-specific cooperation, competitiveness, and entrepreneurship.

The first dialogue session is scheduled for March 1 in Abu Dhabi, led on the U.S. side by Assistant Secretary of State for Economic and Business Affairs. The State Department has also been encouraging cross-border linkages in North Africa; its North Africa Partnership for Economic Opportunity held a U.S.-Maghreb Entrepreneurship Conference in January 2011 in Marrakesh that encouraged entrepreneurs to form cross-border business partnerships.

In the coming months, USTR hopes to improve existing cooperation through U.S. FTAs with Morocco and Jordan, and refine the bilateral action plan for Egypt. U.S. bilateral programs will be complemented by U.S. participation in the Deauville Partnership through the G-8 that was created in May 2011 to develop a framework for international economic assistance for the Middle East and North Africa. The next G-8 meeting will be in Chicago in May 2012, and Deauville Partnership discussions should help to coordinate the overall regional aspects of the Trade and Investment Partnership Initiative for the Middle East and North Africa by addressing plans and priorities for the MENA region as a whole.

For more information on the NFTC's work on the Middle East or the U.S.-Middle East Free Trade Coalition, contact Chuck Dittrich at cdittrich@nftc.org.

Procter & Gamble Honored by Secretary of State Clinton

Warmest congratulations to NFTC Board member company Procter & Gamble, the recipient of the Secretary of State's Award for Corporate Excellence!

The Award was presented by Secretary Clinton in a ceremony held at the State Department's diplomatic reception rooms on January 18 and attended by senior State Department officials, foreign diplomats, Congressional staff, corporate executives, academics and representatives from business associations and NGOs, including the NFTC.

The Secretary's Award honors exemplary conduct, corporate responsibility and innovation in a company's overseas operations and is designed to recognize the important role that U.S. businesses play in advancing good corporate governance and democratic principles worldwide. The first Award was made in 1999 and in every year but one; a recipient has been an NFTC member.

P&G is the first company to win for two programs in the same year. The company was nominated by two embassies, Nigeria and Pakistan, for good corporate citizenship, responsible environmental protection and practices, contributions to the overall growth and development of the local economies and innovation.

For a video of Secretary Clinton making the presentation, visit: http://news.pg.com/blog/childrens-safe-drinking-water/us-secretary-state-bestows-award-corporate-excellence.

Will Common Sense Prevail in U.S.-Iran Relations?

The best lack all conviction, while the worst are full of passionate intensity.
W.B. Yeats "The Second Coming"

While some might apply Yeats' lines to U.S. politics generally, they apply in particular to the case of the United States and Iran. Two notable exceptions are L. Bruce Laingen and John Limbert; the former who was chief of mission, and the latter who was political officer, at the U.S. Embassy in Tehran in 1979. Both were detained in Iran for 14 months. After criticizing the bellicose statements regarding Iran made by the current Republican aspirants to the presidency (with the notable exception of Ron Paul), they recently concluded in the Christian Science Monitor:

> *"Despite setbacks, the US should not give up on the effort to end over three decades of futility with Iran. Otherwise Americans risk stumbling into another armed conflict with unpredictable and disastrous consequences. Americans should keep their heads on their shoulders and apply the classic tools of statecraft: patience, firmness, persistence, open-mindedness, and a readiness to listen.*
>
> *"Above all Americans must keep their poise, and ignore the droners* - *even the loudest ones* - *who would stampede their country into yet another Middle East fiasco."*

As the Senate Banking Committee prepares to mark up another "comprehensive" Iran sanctions bill – in response to the House bills (HR 1905; HR 2105) passed last year, and as Iran hawks in the Senate propose a resolution barring "containment" as a policy option regarding Iran (George Kennan, RIP), it would be useful for our elected officials to re-think the premise for sanctions as a legitimate tool of statecraft.

From the statements of all supporters, the premise for sanctions – unilateral, extraterritorial, multilateral – appears to be that economic hardship, brought to bear generally upon target populations or applied specifically to particular "bad actors," will suffice to change the strategic behavior of a sovereign government.

But the fact is there is no warrant in recorded history for that assumption.

So why the enduring appeal of economic sanctions? For some, an alternative to war. For others, a box to be checked on the way to war. For many, a rhetorically popular stand with key constituents.

What gets lost in the fog of politically-driven policy (as opposed to the fog of actual war) is the demonstrable fact that sanctions make "patience, firmness, persistence, open-mindedness, and a readiness to listen" the most difficult thing not impossible. Put another way, the opportunities for frank negotiation among sovereign states are inversely proportional to the escalation of sanctions placed on the targeted state.

In a weird variation of the law of unintended consequences, that may explain Section 601 (c) of the *Iran Threat Reduction Act* (HR1905).

> (c) RESTRICTION ON CONTACT. —No person employed with the United States Government may contact in an official or unofficial capacity any person that— (1) is an agent, instrumentality, or official of, is affiliated with, or is serving as a representative of the Government of Iran; and (2) presents a threat to the United States or is affiliated with terrorist organizations. (d) WAIVER. —The President may waive the requirements of subsection (c) if the President determines and so reports to the appropriate congressional committees 15 days prior to the exercise of waiver authority that failure to exercise such waiver authority would pose an unusual and extraordinary threat to the vital national security interests of the United States. *(Continued on page 7)*

News for Our Members

Will Common Sense Prevail in U.S.-Iran Relations?

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The thing speaks for itself, and it speaks volumes. One can hope that if not wisdom then common sense will prevail and that the Senate will be mindful of Mr. Laingen's and Mr. Limbert's informed admonitions – not to mention George Kennan's.

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

Tax Policy

Second Session of the 112th Congress Likely to be Contentious on Tax Issues

Congress has returned from recess to begin the second session of the 112th Congress. How will the second session be different from the first? In some respects it will be calmer. The CR was extended until the end of the fiscal year, so we will have no government shutdown talk early in the year as we did in 2011. The debt ceiling will be raised even if Congress votes against it, because of the safeguards put into effect in 2011, so we will also not have a show-down over the debt ceiling. Unfortunately, all the other political difficulties of 2011 will carry over into 2012. The payroll tax break was extended at the end of 2011 for two months, and expires on February 29. A conference committee is meeting to try to resolve how to extend the payroll tax break for the rest of the year. Democrats and Republicans are at odds over how to pay for the extension package, which also includes an extension of unemployment insurance and the Medicare physician coverage ("doc fix"). Partisan differences of opinion over how to pay for the payroll extension and other pending legislation will be a factor all year, and will result in a lame duck session that trumps the 2010 lame duck session. Democrats would like to increase taxes on the wealthy to help pay for the payroll tax extension. Republicans remain opposed to tax increases and want to offset the cost of legislation with spending cuts. Election year politics will play an increasingly prominent role as both parties continue to stake out their positions on taxes and spending.

The extension of the expired tax provisions will continue to be a high priority of the business community until they are extended retroactively to their December 31, 2011 expiration date. The research and development tax credit, CFC look-through rule and the active financing exception to Subpart F are critical for companies, and they will actively work to add these provisions to any bill, including the payroll tax extension. As with the payroll tax extension, there will be an issue on how to offset the revenue needed to extend the business tax provisions. Some members of Congress have called for hearings on the tax extenders to determine if all of the provisions included in the package are still necessary. There are now more than 60 provisions that expired at the end of 2011. Senator Baucus has said," It is critical to extend these tax provisions early in the year to maximize their effect and provide certainty for the 2012 tax year."

Lame Duck Session

There are several tax provisions that expire at the end of 2012, and there is likely to be a contentious lame duck session to deal with them. The debate over the extension of the Bush tax cuts will involve the same issues that will mark the debates all year: Democrats are interested in discontinuing the current rates for high-income taxpayers, while Republicans insist that all tax rates be extended. The 10-year cost of extending all of the Bush tax cuts permanently could be as high as $4 trillion. Given the current deficit situation, it will be hard to extend the tax rates without some discussion of offsetting revenue.

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Second Session of the 112th Congress Likely to be Contentious on Tax Issues

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The provisions that expire at the end of 2012 include:

- Highest marginal income tax rates will rise to 36& and 39.6% from 33% and 35% respectively
- 10% income tax bracket will be eliminated
- Maximum rate on qualified dividends will rise from 15% to 39.6%
- Maximum rate on long-term capital gains will rise from 15% to 20%
- Phase-outs of itemized deductions and personal exemptions will be reinstated for high-income taxpayers
- Marriage penalty relief will expire
- Child credit will decline from $1,000 to $500
- Maximum estate tax rate will rise from 335% to 55% and the exemption will fall from $5 million to $1 million
- The AMT patch will expire
- If the payroll tax break is enacted by the February 29 deadline, it will also expire at the end of 2012

There are also several provisions of the health care reform law that will take effect beginning in 2013 including:

- Increase the Medicare payroll tax by 0.9% on earned income
- Impose a 3.8% tax on certain investments for high-income taxpayers
- Eliminate the deduction for the Medicare Part D subsidy
- Limit the contributions to Flexible Spending Arrangements

If Congress is unable to retroactively extend the expired tax provisions before the end of 2012, they will also have to be acted on in the lame duck session.

The deficit reduction committee (Supercommittee) was unable to reach an agreement in 2011, so a $1.2 trillion sequester is scheduled to go into effect beginning in 2013. If Congress is unable to cut spending by the $1.2 trillion amount in 2012, there will also be a move in the lame duck session to either cut spending further, or to find a way to delay the pending sequester.

The second session of the 112th is likely to culminate in a contentious lame duck session. The number of issues that will have to be dealt with will be determined by the ability of Congress to put aside their partisan differences in an election year and act on the provisions before the election. Unfortunately, given the heightened partisanship that was prevalent during the first session of the 112th Congress, significant changes would have to occur for the second session to be more harmonious.

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

New Members

Bombardier Inc., is a global transportation company with 69 production and engineering sites in 23 countries, and a worldwide network of service centres. Bombardier operates two industry-leading businesses--Aerospace and Rail transportation. Their 65,400 employees design, manufacture, sell and support the widest range of world-class products in these two sectors. This includes commercial and business jets, as well as rail transportation equipment, systems and services. Bombardier is headquartered in Montréal, Canada, and its shares (BBD) are traded on the Toronto Stock Exchange. In the fiscal year ended January 31, 2011, we posted revenues of $17.9 billion (U.S.). For more information, visit: http://bombardier.com.

Europ Assistance USA, Inc. is the US branch of Europ Assistance. Europ Assistance began helping travelers with emergencies in 1963 and has expanded in capabilities and services ever since. Professionally organized, thoroughly equipped with countless resources, Europ Assistance is dedicated to helping people in both exceptional and everyday situations, anytime. Europ Assistance, estimates show this company has annual revenue of $22,559,003 and employs a staff of approximately 160. For more information, visit: http://www.worldwideassistance.com.

GeoBlue is a leader and innovator serving the needs of world travelers. GeoBlue Expatsm and GeoBlue Travelersm group health plans combine unsurpassed service and mobile technology to help you access trusted doctors and hospitals all around the globe. For more information, visit: https://www.geo-blue.com.

Kimberly-Clark Corporation: Nobody knows noses and diapering babies better than Kimberly-Clark, the world's top maker of personal paper products. The company operates through four business segments: personal care, consumer tissue, K-C Professional, and health care. Kimberly-Clark's largest unit, personal care, makes products such as diapers (Huggies, Pull-Ups), feminine care items (Kotex), and incontinence care products (Poise, Depend). Through its consumer tissue segment, the manufacturer offers facial and bathroom tissues, paper towels, and other household items under the names Cottonelle, Kleenex, Viva, and Scott (including the Scott Naturals line). Kimberly-Clark's professional unit makes WypAll commercial wipes, among other items. For more information, visit: https://www.kimberly-clark.com.

McDermott Will & Emery, one of the largest law firms in the US, maintains more than 15 offices in the US and in Europe. It also maintains alliances with lawyers in China in order to increase its geographic reach to Asia. Practice areas include antitrust, corporate, employee benefits, government strategies, intellectual property, international, mergers and acquisitions, tax, and trial law. E. H. McDermott founded the firm in 1934; since then it has represented clients across more than 70 countries around the globe. For more information, visit: http://www.mwe.com.

Oakwood Worldwide founded in 1960, pioneered the temporary housing industry and remains the world's leading provider of furnished and serviced corporate apartments and residences. With over 25,000 locations throughout North America, Latin America, Europe, the Middle East and Africa and the Asia Pacific region, Oakwood offers a full spectrum of housing solutions and accommodations to meet the needs of businesses and individuals. Oakwood specializes in providing custom housing solutions to your program's need, whether it's global mobility and relocation housing, intern program housing, corporate executive housing, or training program lodging. Beyond just accommodations, however, Oakwood adds bottom-line value to the business operations of our clients by providing additional services, such as online outsourced housing procurement through our proprietary EPIC portal, 24/7 customer service through our Worldwide Sales & Service Center (WSSC), housekeeping services, corporate housing consulting services, and more. For more information, visit: http://www.oakwood.com.

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News for Our Members

NFTC Submits Comments on USTR Special 301 Report

On February 10th the NFTC submitted comments to the Office of the U.S. Trade Representative (USTR) in response to a Federal Register notice requesting issues for inclusion in its Special 301 Report. To follow is an excerpt from NFTC's comments:

> *"Advancing technology requires U.S. companies to innovate constantly and to differentiate American products through effective branding. Thus, expanding the U.S. economy demands strong and predictable IP rights. As the developing world continues to grow, exports have become increasingly central to U.S. companies' business strategies and to the long-term success of the U.S. economy. More than half of U.S. exports originate from IP intensive industries. IP, in other words, serves as a vital trade asset and a driving force behind an innovation based economy. Patents, trade secrets and trademarks are critical but are increasingly under threat.*
>
> *" … First, we highlight those proposals and policies that would result in erosion of IPR in a range of leading international forums and negotiations including the UNFCCC, Rio+20 and WHO. We also highlight cross-cutting concerns with a particular focus on trade secrets and cyber espionage, which are increasingly urgent concerns. Finally, we highlight specific country concerns with a focus on BRIC countries in particular. We are of course aware that non-country specific concerns identified in this document are atypical for a Special 301 Report…*

To read the full submission visit: www.nftc.org/default/Publications/Trade_Policy/Special301_Comments 2-10-12.pdf

New Members

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Rio Tinto is a leading international mining group, combining Rio Tinto PLC, a London listed public company headquartered in the UK, and Rio Tinto Limited Rio Tinto Minerals mines and processes talc and borate minerals. The division of Anglo-Australian mining giant Rio Tinto was formed in 2006 as a result of the combination of Rio Tinto subsidiaries U. S. Borax and Luzenac. The division supplies nearly 40% of the world's borates (used in everything from glass to detergents to fertilizers) and 25% of its talc (used in paints, plastics, and papers). Its reserves contain 19 million tons of borates and 30 million tons of talc. The company operates in Africa, Asia, Australia, Europe, and North America. Another Rio Tinto subsidiary, Dampier Salt, had been a part of Rio Tinto Minerals until the parent company moved the unit to another part of the business in 2008. For more information, visit: http://www.riotinto.com.

Visa Inc. operates the world's largest consumer payment system with some 1.7 billion credit and other payment cards in circulation. It licenses the Visa name to member institutions, which issue and market their own Visa products and participate in the VisaNet payment system that provides authorization, processing, and settlement services. The company also offers debit cards, Internet payment systems, value-storing smart cards, and traveler's checks. Visa's network connects thousands of financial institutions around the world. For more information, visit: http://www.corporate.visa.com.

The Walt Disney Company is the world's largest media conglomerate, with assets encompassing movies, television, publishing, and theme parks. Its Disney/ABC Television Group includes the ABC television network and 10 broadcast stations, as well as a portfolio of cable networks including ABC Family, Disney Channel, and ESPN (80%-owned). Walt Disney Studios produces films through imprints Walt Disney Pictures, Disney Animation, and Pixar, and its Marvel Entertainment is a top comic book publisher and film producer. In addition, Walt Disney Parks and Resorts operates the company's popular theme parks including Walt Disney World and Disneyland. For more information, visit: http://disney.go.com.

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

The agenda and registration information is available at http://www.nftc.org/calendar/calendar.asp?Mode=CalendarViewDetails&ID=579. For more information contact Bill Sheridan at wsheridan@nftc.org.

Calendar of Events

Date	Event and Location
February 28	NFTC Board of Director Meeting – Washington DC
February 29	International Benefit Committee Meetings - New York City
March 11	Tax Lunch Forum - Speaker TBA, Washington
March 21.22	Annual International Human Resource Management Forum - Houston TX
April 14	Tax Lunch Forum - Speaker TBA, Washington
May 9	International Compensation & Benefits Committee Houston, TX
May 16	Tax Lunch Forum - Speaker TBA, Washington
June 7	International Benefit Committee Meetings - New York City
June 13	Tax Lunch Forum - Speaker TBA, Washington
July 18	Tax Lunch Forum - Speaker TBA, Washington
September 19-21	Expatriate Management Committee Meeting* - Montreal, Canada
October 4	International Benefit Committee Meetings - New York City
October 10-12	International Assignment Management Committee Meeting * - Englewood, Colorado
November 7	Tax Lunch Forum - Speaker TBA, Washington
December 5	Tax Lunch Forum - Speaker TBA, Washington
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*

This issue of Council Highlights brought to you by:

U.S.-Middle East Free Trade Coalition

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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.

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