



# 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.*

**April—May 2012**  
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### A Word From the President

Congress missed an important opportunity several weeks ago. In the process, it struck a significant blow against American exports and demonstrated how dysfunctional it has become. This is about reauthorizing the Export-Import Bank, whose current authorization expires this summer and which, as a practical matter, will bump up against its lending cap sooner than that and have to shut down anyway.

Up to a point, the system worked well last year. Both committees of jurisdiction did what they were supposed to do – held hearings, drafted legislation, marked it up in committee, approved it and sent it to the floor. At that point leadership got involved, and things have been going downhill ever since. On the House side, opposition from the most conservative Republicans and a major airline (unhappy because it thinks the Bank enables Boeing to sell subsidized aircraft to its competitors, completely misunderstanding what the Bank is supposed to do) prompted the Majority Leader, Congressman Cantor to override the Financial Services Committee’s work and write his own bill. His bill is unacceptable to business and to the Administration for too many reasons to put in this note. Most significant, it provides for a reauthorization of only a bit more than a year and increases the lending cap from the current \$100 billion to \$113 billion, which is not enough even to take the Bank through the election this November. (The Senate bill raised it to \$140 billion.) Passing that bill will simply mean we are all back here again, before the election, to replay the same scenario. Democrats, and a substantial number of Republicans, will not support the bill, and it has not moved forward.

Meanwhile, the Senate leadership on both sides of the aisle also managed to make a mess of things. The Senate Majority Leader attempted to bring up the Senate Banking Committee’s bill – unlike the House leadership respecting the Committee’s work – but he insisted that no amendments be in order.

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### NFTC Continues to Advocate PNTR for Russia

The NFTC continues meetings with Members of Congress and their staffs urging support for Permanent Normal Trade Relations (PNTR) with Russia, as congressional attention to the issue has increased. Senator Baucus, who held a hearing on PNTR in mid-March, strongly supports the measure. He returned from a visit to Russia at the end of March and the Senate Finance Committee and leadership staffs then went to Russia as a delegation. Senator Baucus has said he would like to complete PNTR by the time of Congress’ summer recess in August. The House Ways and Means Committee has yet to schedule a hearing on the issue, but is expected to do so by May. The Russian Duma has until July 23 to approve WTO accession, and the country becomes a member 30 days later. Unless Congress has exempted Russia from the Jackson-Vanik amendment by then by enacting PNTR, U.S. companies will be at a competitive disadvantage in the Russian market as of September. This will include not only the exclusion of the services sector and lack of access to WTO dispute resolution mechanisms, but also likely preference, especially by the Russian government, for EU and Asian suppliers.

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# *News for Our Members*

## **A Word From the President**

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That precipitated a vote on cloture on the amendment, which was rejected on a near-party line vote as Republicans supported their leader in opposing a limitation on debate and in order to show some support for their colleagues on the House side.

Subsequently, the Majority Leader announced that reauthorization of the Bank would now move to the bottom of the legislative pile. Hopefully he'll change his mind, otherwise the Bank will bump up against its cap – probably in May – and have to stop lending. That means fewer exports, fewer jobs created and less growth. Meanwhile, both parties are now well-armed with talking points, each blaming the other for this disaster. Unfortunately, the losers are America's workers and exporters.

This turn of events is particularly frustrating because it was clear there was – and apparently still is – broad bipartisan support for the Bank. The business community, particularly the Coalition for Employment through Exports, has spent an extraordinary amount of time and effort on behalf of the bill and had obtained clear expressions of support by well over the 60 senators needed to invoke cloture. Yet, in a classic case of snatching defeat from the jaws of victory, cloture was voted down. No doubt we will hear cogent arguments on both sides of the procedural issue, but they all miss the point – the Senate missed an opportunity to do something good for the economy and the American worker, and the House has thus far refused to even step up to the plate.

When I worked up there, admittedly a long time ago, the lesson that left the deepest impression on me was that good politics begins with good policy. If you do the right thing, the voters will reward you for having accomplished something. They want results, not an argument that the lack of results is the other guy's fault. Episodes like this one simply add weight to those who want to “throw the bums out” – all of them. Apparently, each party is hoping that if that happens more of the other side's bums will get the axe than their own. Unfortunately, that undermines public confidence in its government at the very time that confidence most needs to be built up.

This episode has clearly been far from Congress's finest hour. We should all hope they go back and think it over and come to a different conclusion.

## **NFTC Continues to Advocate PNTR for Russia**

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Because the 1974 Jackson-Vanik amendment is seen as a human rights measure, pressure has built to replace it with “modernized” human rights legislation. The leading candidate is S.1039, the *Sergei Magnitsky Rule of Law Accountability Act*, which denies visas and freezes U.S. assets of certain Russian human rights abusers. To accomplish this purpose, the bill would create a list of proscribed individuals. Members of Congress are authorized to propose names for the list. Although Treasury has objected to the asset freeze provisions, in March, Senators Kerry and Lugar endorsed S.1039, and there is a consensus that PNTR will have to be paired with that or some other vehicle expressing concern about Russian human rights abuses. The Administration is talking to the bill's sponsor, Senator Cardin, and others about revisions and possibly including much of S.1039 in PNTR legislation in the Finance Committee.

The NFTC and USA\*Engage share the Treasury's concerns about the asset freeze provisions of S.1039, but have not formally taken a position.

For more information, please contact Dan O'Flaherty at [doflaherty@nftc.org](mailto:doflaherty@nftc.org).

## *News for Our Members*

### **NFTC Participates in APEC Singapore Trade Meetings**

Senior officials gathered in Singapore in March and April for a series of trade-related discussions under the Asia Pacific Economic Cooperation (APEC) forum. NFTC staff and member companies participated in several trade workshops and meetings associated with the meetings.

In Singapore, senior officials from APEC's Committee on Trade and Investment met to discuss the development of a list of environmental goods to which APEC economies would cap tariffs at five percent. In advance of those discussions, on March 30, Jake Colvin, along with representatives from GE, spoke at a workshop organized by China on "Environmental Services and related Technologies." Colvin delivered a presentation on trade policy solutions to environmental technologies in which he emphasized the importance of lowering trade barriers to green goods and services to accelerate technology adoption and diffusion. NFTC applauded the work done last year at APEC to reduce applied tariff rates to five percent or less on environmental goods, and emphasized the importance of developing a robust list of environmental products to solidify APEC's status as a premier forum for economic discussions, and signal the Pacific's leading role in using trade policy to offer solutions to climate change. He also noted the importance of protecting ideas and innovation through effective global enforcement of intellectual property rights.

On April 4-5, Japan organized a conference on innovation and trade, featuring companies and venture capitalists throughout the Asia-Pacific region. The conference was a follow up to a private sector-focused initiative organized by the United States in San Francisco last year. In Singapore, Colvin spoke on a panel on "encouraging innovation through trade policy," during which he highlighted the importance of accessing and transmitting data reliably and securely across borders for companies and individuals.

Building on work that NFTC has done in Washington, he suggested the need to modernize the international trade framework to expand trade in digital goods, services and infrastructure and prohibit restrictions on legitimate cross-border information flows and mandates on local investment and infrastructure. He suggested APEC can continue to play a useful role in promoting global innovation by addressing regulatory issues and establishing parameters around the exceptions to trade rules in areas such as privacy and security. He recommended that APEC prioritize work to encourage the expansion of the Information Technology Agreement, build on the innovation principles developed during the U.S. host year to establish a more robust framework to encourage idea-sharing and information flows, and prioritize the flow of commercial information as a next generation trade issue.

For more information on APEC's innovation and green growth agendas, please contact Jake Colvin at [jcolvin@nftc.org](mailto:jcolvin@nftc.org).

### **NFTC Foundation Hosts Chicago Forum with Commerce Under Secretary Sánchez**

As part of an ongoing series of conversations with international businesses about participating in the global marketplace, the NFTC Foundation hosted a high-level workshop in Chicago on March 16 with the Chicago Council on Global Affairs on "Succeeding in the Global Economy."

The dialogue, part of a national series of discussions hosted by the NFTC Foundation at innovation and manufacturing centers around the nation thanks to a grant from the General Electric Foundation, featured representatives from companies, including Illinois Tool Works, Procter & Gamble and ShopperTrak and experts from the Brookings Institution, U.S. International Trade Commission and Kellogg School of Management at Northwestern University, who helped lead conversations about role of global trade, investment flows and innovation in the American economy.

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## News for Our Members

### NFTC Foundation Hosts Chicago Forum with Commerce Under Secretary Sánchez

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In a breakfast keynote address, Francisco J. Sánchez, Under Secretary of Commerce for International Trade at the U.S. Department of Commerce, emphasized the role of exports in helping small businesses in America create jobs and access demand in fast-growing international markets. Sanchez highlighted several ways that the Commerce Department can help companies research overseas markets and connect with new partners through U.S. Government initiatives such as the Gold Key Matching Service. He also presented Bill Martin, a founder of Illinois-based ShopperTrak, the world's largest provider of retail and mall foot-traffic counting services, with an export achievement award.

Over 100 Midwest business and community leaders attended the event, which explored the role of global markets in the success of American companies and workers and how the United States can better compete for the global demand, investment, and talent to ensure that America remains the world's innovation leader in the 21st century. Participants highlighted the challenge and opportunity of increasingly sophisticated global supply chains. Several companies noted that growth in overseas markets is directly responsible for maintaining and expanding jobs in the United States to support the business. Even for those companies that do not export directly or have an overseas presence, many are participating in global value chains by providing inputs to products that larger companies such as GE and P&G export.

The dialogue also pinpointed several areas where changes to U.S. public policy could help American companies and workers in the global economy. Participants emphasized the importance of gaining more favorable access to key markets overseas, improving respect for and protection of intellectual property rights in those markets, making sure the application of U.S. trade laws take into account the needs of American innovative industries, and creating a better overall climate for doing business through improved infrastructure, education, regulatory and tax systems. Participants also coalesced around the idea of having government play some role in opening doors overseas and acting as a convener for businesses, entrepreneurs and educators to exchange information and improve innovation.

NFTC also hosted a private reception and salon dinner in Chicago the evening before on "Exports and manufacturing in the digital economy," featuring remarks by Progressive Economy Director Ed Gresser.

## USA\*Engage

### Are the Costs of Sanctions Worth It?

Congress decamped before April Fools' Day, with no Senate agreement to vote on S.2101, the *Iran Sanctions, Accountability and Human Rights Act of 2012*. Majority Leader Harry Reid (R-NV) offered to bring the bill to the floor under unanimous consent (no amendments), but Senators Mark Kirk (R-IL) and Rand Paul (R-KY) refused to go along. Concurrently, the Obama Administration, beset by the demands of Israel Prime Minister Netanyahu, most of the aspiring Republican presidential candidates and a Congress in bipartisan lockstep, continued the U.S. tactical focus on using multilateral sanctions to reduce Iran's crude oil exports. Unsurprisingly, world crude oil prices remained at high levels not supported by supply and demand realities. Finally, it was announced that Iran and the P5+1 (U.S., U.K., China, Russia, Germany) will meet in Istanbul on April 13 to parley.

Recall that the year ended with House passage of H.R.1905, the *Iran Threat Reduction Act of 2011* on the suspension calendar (no amendments) by a vote of 410-11, and passage of the amendment to the *National Defense Authorization Act of 2012* (Section 1245) offered by Sens. Kirk and Robert Menendez (D-NJ) by a vote of 100-0. With NDAA signed into law, targeting Iran's Central Bank for sanctions to reduce Iran's crude oil sales became official U.S. policy.

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## Are the Costs of Sanctions Worth It?

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In due course, the Administration published Treasury regulations; the EU adopted its own mirror sanctions, including extending the same to the SWIFT network (Society for Worldwide Interbank Financial Telecommunication); and the Administration exempted 11 EU countries who had “volunteered” to reduce “significantly” purchases of Iranian crude.

Apparently, such measures are not sufficient for Sen. Kirk. He has developed an amendment with his House Democratic colleague, Rep. Brad Sherman (D-CA) to sanction ALL Iranian financial institutions, notwithstanding his membership on the Senate Banking Committee that reported out S.2101 unanimously. For his part, Senator Paul has refused to go along with floor consideration, because, as he put it: “My amendment is one sentence long. It states that nothing in this act is to be construed as a declaration of war or as an authorization of the use of force in Iran or Syria. I urge that we not begin a new war without a full debate, without a vote, without careful consideration of the ramifications of a third or even a fourth war in this past decade. I, therefore, respectfully object.”

Sen. Paul evinces the same fidelity to the “original intent” of the Founders as his father, Rep. Ron Paul (R-TX). Note that Rep. Paul voted against HR 1905, continuing his opposition to unilateral, extraterritorial sanctions as a tool of U.S. foreign policy (note as well that his presidential candidacy receives enthusiastic support from active duty personnel in the lower ranks of the U.S. armed forces).

Almost lost in the sideshow is the question recently posited by the Bipartisan Policy Center – whose Task Force on Iran has been notably alarmist regarding Iran’s assumed march to nuclear weaponization – to wit: are the sanctions working to move Iran’s decision makers to bargain away their independent nuclear capability. As rare is the question: are the costs of the sanctions – to ordinary Iranians, to global commerce, to the global oil market, to the world’s consumers of gasoline – worth the presumed benefits? And is it possible the sanctions effectively box the Iran’s decision makers into a hardened embrace of going nuclear?

One can discern in Iran’s Supreme Leader Ali Khamenei’s public statements: (a) his reading of the so-called “Arab Spring” as “Islamic awakenings” detrimental to U.S. sway in the region; (b) the strategic value of Iran’s nuclear program, in the face of “western” pressure as a deterrent; and (c) the enduring value of Iran’s conflict with the U.S. and its allies to his rule. If such a reading is correct, the very idea of a negotiated “grand bargain” between Iran and the U.S. may be infeasible. If that is correct, then the question remains, what is?

That question will almost surely not be part of the domestic U.S. debate this year. The call for more stringent sanctions will almost certainly carry the Congressional day. The Administration will continue to modulate such legislative diktats. The risk premium associated with global dependence on Middle East oil supplies will remain.

And the words of John Quincy Adams, in his capacity as Secretary of State, about the American Republic, to the House of Representatives on July 4, 1821, remain: “She goes not abroad in search of monsters to destroy. She is the well-wisher to the freedom and independence of all. She is the champion and vindicator only of her own.”

For more information, please contact Richard Sawaya at [rsawaya@nftc.org](mailto:rsawaya@nftc.org).

## NFTC Tax Lunch Forum Welcomes David Ernack, Associate International Tax Counsel, U.S Treasury

On Wednesday, March 14, 2012, David Ernack, Associate International Tax Counsel at the U.S. Treasury Department spoke to the NFTC Tax Committee. The NFTC Tax Committee has four main working groups, Tax Treaties, Regulatory, Non-U.S. Issues and Legislative, and we were fortunate that Mr. Ernack was able to update the Tax Committee on current issues for each of these areas.

### *Tax Treaties*

Mr. Ernack explained that the Senate Foreign Relations Committee has reported out three tax treaties that await Senate action. The treaties and updated protocols with Switzerland, Luxembourg and Hungary are pending in the Senate. Sen. Rand Paul currently has a hold on the treaties, but the Administration is hopeful that the treaties will be finalized soon. Treaty negotiations are currently taking place with the U.K., Japan, Spain and Vietnam. The treaty negotiations have completed with Norway and the documents are getting ready for signatures. The treaty with Chile is going through the vetting process at the White House and will be sent to the Senate Foreign Relations Committee soon. The treaty negotiations with Poland are complete, and as soon as all of the documents can be translated to everyone's satisfaction, that treaty will also be ready for signatures. Treasury is working to update the Model U.S. Tax Treaty, but there is not a deadline for when the updated model treaty will be released.

### *Regulations*

The Foreign Tax Credit Splitter regulations were released in February, and have generally been well received, according to Mr. Ernack. The drafting of the § 901 (m) covered asset acquisition regulations is in progress, and there are several big issues that are still being discussed. These regulations are likely to be released later this year. Other regulations that are currently being drafted include: overall domestic and foreign losses, §904 (d)(6) treaty resourcing, M&A guidance (particularly the items sunseting), and §956. The FATCA proposed regulations came out in February and Treasury and the IRS would like finalize these regulations by the summer of 2012.

### *Non-U.S. Issues*

The OECD working party 6 is concerned with the valuation of intangibles and the administrative aspects of transfer pricing. The group is considering developing a template to resolve certain categories of transfer pricing cases. The template could be confined to countries that have entered into double tax treaties.

Mr. Ernack discussed the U.N. Committee of Experts and their work on developing a transfer pricing manual for developing countries. The U.N. tax committee includes many countries who are not members of the OECD. Brazil, India and China are particularly active on the U.N. tax committee. These countries have not been active in the OECD and don't agree with the transfer pricing rules developed by the OECD countries. The U.S. and other OECD countries continue to push for the continued use of the arms length standard by the developing countries, and believe that any new standard would create chaos for companies operating globally. There is no public consultation in the U.N. as they develop their transfer pricing manual. The U.N. Committee hopes to complete their transfer pricing manual in 2012, but that timeframe may slip.

The NGO's are continuing to push for country-by-country reporting of transfer pricing to add more transparency in the developing countries. The extractive industries are currently required to report on a country-by-country basis. Both the OECD and the EU are looking at country-by-country reporting requirements. Dodd-Frank included country-by-country reporting for extractive industries, and this has prompted others to look at the issue more closely.

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## *Tax Policy*

### **NFTC Tax Lunch Forum Welcomes David Ernack, Associate International Tax Counsel, U.S Treasury**

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#### *Legislative*

Mr. Ernack gave a broad overview of the President's Framework for Tax Reform. When asked when additional details would be released on the tax reform proposal, Mr. Ernack said that the Administration would be working with Congress on tax reform, and is ready to start the discussion this year. It is more likely that the tax reform debate will be put off until after the election, but the Administration is ready to start negotiations.

For more information, please contact Catherine Schultz at [cschultz@nftc.org](mailto:cschultz@nftc.org).

## *International Human Resources*

### **NFTC Holds Annual International Human Resource Management Forum-Houston-March 21-22, 2012**

The NFTC's 11<sup>th</sup> Annual International Human Resources Forum was held recently at the Houstonian, and over 170 delegates participated. The theme of the forum was "Global Business Opportunities-Overcoming Talent Shortage Challenges."

The opening speakers were Karr McCurdy, Executive Vice President of Behre Dolbear, who addressed business risk issues and talent shortages in the global mining sector, and Haig Nalbantian, Senior Partner-Human Capital Consulting of Mercer, who discussed work being done within the World Economic Forum to address talent shortages.

Their presentations set the stage for related sessions that focused on what corporations are experiencing, especially in competitive sectors such as energy, energy services, engineering and construction and mining in such countries as Angola, Australia, Brazil, Canada, China, Ghana, India, Indonesia, Libya and Liberia.

In addition to subject matter experts from Ernst & Young, Mercer, MetLife International and SIRVA, the faculty included corporate colleagues from Accenture, Bechtel, BP, Chevron, Chicago Bridge & Iron, CH2M Hill, GE Energy, Genentech, Newmont Mining, Nokia, TetraTechnologies and Transocean, who shared how their companies are meeting the talent shortage challenges.

Wayne Forrest, President of the American-Indonesian Chamber of Commerce, provided an update on the opportunities and challenges of doing business in Indonesia. Stephen Cryne, President and CEO of the Canadian Employee Relocation Council, participated in the panel regarding talent shortages in Canada and the competition between Canada, the U.S. and Australia especially in the energy, mining and E&C sectors.

Chuck Dittrich, Executive Director of the U.S.-Libya Business Association, discussed the progress to date in the rebuilding of Libya and some of the challenges that hopefully will be resolved once national elections are held in a few months.

Bill Reinsch, President of the NFTC, shared his perspective on economic, social, political and other relations between China and the United States.

Altogether, as usual, the Houston Forum was topical and interactive. The next IHR forum will be in New York City on July 11-12, 2012... For more information contact Bill Sheridan at [wsherdian@nftc.org](mailto:wsherdian@nftc.org).

## News for Our Members

### 2012 World Trade Dinner and Award Ceremony, Scheduled for Wednesday, October 3rd

Clear your calendars . . . take an evening off from campaign news . . . and plan an elegant night of fun, camaraderie and networking with friends, colleagues and business associates. The National Foreign Trade Council Foundation's Annual World Trade Dinner and Award Ceremony will take place on Wednesday, October 3, 2012. The dinner is a black tie event and the venue is the elegant and historic Organization of American States, 17th Street & Constitution Avenue, NW, Washington, DC. Please save the date and plan to attend!

The World Trade Dinner is a popular event for senior corporate and public officials and foreign dignitaries; a night featuring a formal address by our keynote speaker, presentation of our annual world trade award, and, of course, much socializing. Our 2011 speaker was President Obama's then Chief of Staff, Bill Daley. Past speakers have included such respected figures as Dave Camp, Chairman of the House Ways & Means Committee; House Majority Leader Steny Hoyer; United States Trade Representative, Ambassador Susan Schwab; Secretary General of the United Nations, Kofi Annan; UN-Ambassador John Negroponte, as well as several Heads of State. We will be announcing the 2012 dinner speaker this summer. Company sponsorship opportunities for the dinner are still available, as are a limited number of individual reservations. Contact the NFTC at 202-887-0278 or [nftcinformation@nftc.org](mailto:nftcinformation@nftc.org) for details.

### Calendar of Events

Date	Event and Location
April 25	Briefing by Deputy Assistant USTR for APEC Arrow Augerot and Assistant USTR for Environment Jennifer Prescott on the APEC Progress
May 1	NFTC Breakfast Forum Business Engagement in Global Internet Governance - Washington
May 3	NFTC-NCAPEC Dinner Conversation Framing APEC's Long Term Strategy - 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
June 15	Board of Directors Meeting - Wintergreen Resort, VA
July 14-15	Annual International Human Resource Management Forum New York City
July 18	Tax Lunch Forum - Speaker TBA, Washington
September 19-21	Expatriate Management Committee Meeting* - Montreal, Canada
October 3	2012 World Trade Dinner and Award Ceremony - Washington
October 3	Board of Directors Meeting - Washington
October 3	NFTC Annual Meeting - Washington
October 4	International Benefit Committee Meetings - New York City
October 10-12	International Assignment Management Committee Meeting * - Englewood, CO
November 7	Tax Lunch Forum - Speaker TBA, Washington
December 5	Tax Lunch Forum - Speaker TBA, Washington

*\*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*

# *News for Our Members*

## **In Case You Missed It...**

### **NFTC Welcomes Announcement of May 15 Implementation Date**

The NFTC on April 16th applauded the U.S. and Colombian governments for working together to set a date for implementation of the U.S.-Colombia Free Trade Agreement (FTA). The NFTC welcomed the Administration's announcement yesterday that the agreement will enter into force on May 15, 2012. The NFTC released the following statement:

"We welcome the announcement and applaud the Administration for working in concert with the Colombian government to set a date for implementation of the FTA, as the agreement will further strengthen our longstanding bilateral economic ties and promote U.S. export growth and job creation.

"Colombia is fast becoming a leading economic player in Latin America. With the third largest economy and more than 46 million consumers, Colombia is an expanding market for U.S. goods and services. Implementation of the agreement will ensure that American companies, farmers and ranchers will remain competitive in this critical market and have new opportunities to maximize economic growth and create American jobs.

"The NFTC urges the Administration to press forward and continue to work with the Panamanian government, as it did with South Korea and Colombia, to implement the U.S.-Panama FTA as soon as possible."

### **NFTC Hosts Press Roundtable on Trade and Investment in Latin America and the Caribbean**

The Summit of the Americas took place April 14-15 in Cartagena, Colombia and the NFTC on April 13th hosted a press roundtable on the economic significance of expanding U.S. trade with and investment in Latin America and the Caribbean.

The discussion was led by Council of the Americas Vice President Eric Farnsworth, with NFTC President Bill Reinsch and NFTC Vice President for Regional Trade Initiatives Chuck Dittrich, who were also on hand to offer perspective and commentary.

### **NFTC, Other Leading International Trade Associations Send Letter to Indian Government Opposing Preferential Market Access Rules for IT**

The NFTC, on April 4th, joined with 34 other leading international trade associations in sending a letter to Indian Prime Minister Manmohan Singh expressing opposition with new Preferential Market Access (PMA) rules issued by the Indian Department of Information Technology. To follow is an excerpt from the letter:

"The undersigned international trade associations, representing thousands of global companies, wish to express our serious concerns with new Preferential Market Access (PMA) rules issued by the Indian Department of Information Technology. The new rules would provide procurement preference to domestically manufactured electronic goods "due to security considerations and in Government procurement." While we are concerned overall with any rules providing preferences in government procurement, we are particularly worried that these rules could apply to private entities, including "government licensees" and "managed service providers." If the PMA applies to private entities, this would represent an unprecedented interference in the procurements of commercial entities and would be inconsistent with India's WTO obligations. We urge the Government of India to rescind this PMA entirely and initiate a consultation process with the private sector and other stakeholders to more effectively address India's security and economic concerns."

Click [here](http://www.nftc.org/default/Publications/Trade_Policy/Multi_Association_Letter_to_India_PM.pdf) to read the full text of the letter. [http://www.nftc.org/default/Publications/Trade\\_Policy/Multi\\_Association\\_Letter\\_to\\_India\\_PM.pdf](http://www.nftc.org/default/Publications/Trade_Policy/Multi_Association_Letter_to_India_PM.pdf)

**This issue of Council Highlights brought to you  
by:**



**USA ★ ENGAGE**



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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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