

COUNCIL HIGHLIGHTS

NATIONAL FOREIGN TRADE COUNCIL

"ADVANCING GLOBAL COMMERCE FOR NEARLY A CENTURY"

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



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View from the NFTC Chair "Crossing the T's"

In a meeting with a European trade negotiator on April 3, he asked "does American business want to just get a good bilateral agreement with Europe (the subject at hand was cross-border data flow and privacy) or are we trying to get something we can export?"

My short answer was that if the United States and the European Union cannot agree to a very high level of obligation, we cannot expect to achieve something better in our other bilaterals, regional agreements or the WTO. In every negotiation – but particularly in a U.S.-EU deal – we ought to achieve something good enough to become the standard for all agreements we each subsequently enter into – bilaterally, plurilaterally and multilaterally. Our objective should be to create the template for what we want the WTO to become sometime down the road.

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A Word From the President

One of the National Foreign Trade Council's (NFTC) signature accomplishments was its draft trade negotiating authority legislation initially made public in 2008. This was a major drafting effort undertaken by more than two dozen of our members, along with extensive consulting advice from two of our longstanding friends from both sides of the political aisle – Greg Mastel and Grant Aldonas. We made this effort five years ago because we anticipated the incoming president would seek new negotiating authority to replace the old law that had expired. We put our efforts in bill form because my experience on the Hill taught me that providing actual legislative language can be very helpful to Hill staff because it gives them something concrete to work with.

(Continued on page 2)

NFTC, USA*Engage Welcome Supreme Court's Decision in Major Alien Tort Statute Case

On April 17th the NFTC and USA*Engage welcomed the U.S. Supreme Court's decision on the *Kiobel v. Royal Dutch Petroleum* case. The Court ruled that the Alien Tort Statute (ATS) does not apply to conduct occurring outside the United States. The Court granted certiorari to hear an appeal of the Second Circuit's decision in *Kiobel v. Royal Dutch Petroleum* that there is no corporate liability under the ATS. The NFTC and USA*Engage organized an *amicus* brief on that issue which was argued in February, 2012. The Court had the case reargued in October, 2012 on the issue of extraterritorial application of the ATS and the NFTC and USA*Engage organized a second *amicus* brief on that issue.

In affirming the Second Circuit ruling the Court was silent on the issue of corporate liability, but held that "nothing in the text of the statute suggests that Congress intended causes of action recognized under it to have extraterritorial reach." The Court concluded that "there is no indication that the ATS was passed to make the United States a uniquely hospitable forum for the enforcement of international norms." In concluding, the Court ruled that "corporations are often present in many countries and it would reach too far to say that mere corporate presence suffices."

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News for Our Members

A Word From the President

(Continued from page 1)

As it turned out, our expectations were mistaken, and the incoming Obama Administration did not seek new authority (a mistake in my view, which they will now pay for with a more complicated path to enactment than would have been the case in 2009), and the bill gathered dust for four years.

Early last year we revived our working groups and began the process of updating the bill, expecting that after the 2012 election, the incoming Administration, new or old, would seek new authority, which will soon be badly needed if the TPP negotiations conclude and the US-EU talks are close behind. This time around it appears we have gotten the timing right, as the chairmen of both committees of jurisdiction (Ways and Means and Finance) have indicated their intention to move forward, and the Administration has publicly declared its willingness to participate in that process.

It turned out that the bill needed significant revision. As our members, experienced in the international marketplace, well know, the trading system has been changing very fast as new technologies and connections have enabled a rapid transition to a global supply chain model, with the result that some old issues have faded in priority and some new ones unimagined even a few years ago have stepped to the front of the line of problem children that need to be addressed.

Our most significant changes were with respect to the process part of the bill – the mechanics of “fast track.” In our earlier bill we created a Joint Committee on Trade, led by the two committees of jurisdiction, which would have replaced the dormant Congressional Advisory Group. It was intended to be a device that would bring Members not on the two main committees into the process and ensure they were fully consulted as negotiations continued. In order to make the Committee more likely to function, it was invested with significant authority, most notably the power to approve or block the initiation of an FTA negotiation. In our current bill we have removed this provision and left the existing process largely intact. We concluded that the problem the Joint Committee was intended to solve was not as serious an issue as it had been in the past, and we felt – and were advised by the Hill staff we consulted with – that this is the kind of “insiders” process issue best left to the Congress itself.

The other major changes related to the negotiating objectives that are the foundation for any new authority. Here, we simplified previous law by removing many of the very specific items that were included in the past and by refocusing attention on new issues that have come to the fore and on changes in the trading system that push us toward a “two-speed” WTO in which those that want to liberalize faster can do so without being held back by those that do not want to participate. Those “new” issues include, among others: new objectives in such areas as environment, health care, cross border data flows, trade facilitation, forced localization and export restrictions, as well as an overall focus on development and maintenance of global supply chains and harmonization of the increasingly overlapping and conflicting rules in the multiplying number of bilateral and regional trade agreements being concluded.

More details about the bill, including its text, is available on our website. We have no illusions that the Congress is simply going to enact this draft into law. We hope, however, that it will serve as a constructive basis for debate on what should be part of trade negotiating authority legislation, and that it will be a helpful resource for staff as they undertake the complicated process of drafting the bill that will become law.

“A Word From the President” is written by NFTC President, Bill Reinsch; if you have questions or comments please forward them to breinsch@nftc.org.

News for Our Members

View from the NFTC Chair

(Continued from page 1)

In sitting down with the EU now, a general comparison should be made to Bretton Woods, with a few crucial differences, among them: we two cannot dictate to the world what the international regimes will be, the EU is not the same sort of negotiating partner that the UK was in 1944 (for one thing, there is a very large EU bureaucracy and an EU Parliament that are complicating factors), and we are not sure we know if there will be a John Maynard Keynes on the other side of the table. For that matter, we do not know who will be on our side of the table.

In the trade world, there has not been so much promise since the final stages of the Uruguay Round. Looking toward the East (to use a London-based geographical point of reference), the advent of Abe-nomics is a game-changer in many respects. TPP will be more complicated to negotiate perhaps, but enormously more meaningful in terms of trade coverage as Japan comes in, and if it is done right, far more meaningful in delivering results.

Then in Geneva, Phoenix-like along comes TISA, the new name for the International Services Agreement, plus an expanded ITA and perhaps a trade-facilitation deal.

Against all expectations, this is the spring season for trade, including, as Bill Reinsch will tell us, a surprising receptivity on the part of many key players in Congress to consider renewed trade agreement implementing authority (TPA).

All of this is happening after a long winter of dormancy on the trade front.

What is interesting to me is that the negotiation of trade agreements generally flowers best in a desert. The GATT was born from a world war and global economic depression, the Tokyo Round from major currency misalignments, the Uruguay Round from a recession, and this new rash of current trade negotiating activity from a period of financial crisis, very slow economic recovery, high national fiscal deficits, unacceptably high levels of unemployment, and the imposition of austerity programs by many of the key participants. Even TPA can be a bi-partisan project in this post-bi-partisan era (there is precedent: the first fast track “authority” moved steadily through the Congress despite the fact that the sitting President at the time was being considered for impeachment and articles of impeachment passed the House, not a great time for White House leadership on a Presidential priority.)

There is a large caveat for all this Pollyanna-ish recitation of opportunities. We can muff it. The new subjects under discussion delve much more deeply into areas that have been primarily matters of purely domestic policy: the regulation of communications (privacy, security, consumer protection, etc.), how state-owned enterprises are to behave; and how domestic regulations are formulated. The easiest way to conclude international agreements is to lower expectations for achieving new disciplines, to have less intrusion into historically domestic matters, and settle for less in the reduction or elimination existing trade and investment barriers and barring the erection of new barriers. We need to be cognizant of the fact that whatever is negotiated now will probably remain largely unchanged for another generation (TRIPs and TBT are examples). It is important not to compromise too readily, settling for agreements that do not go far enough.

This is a stellar opportunity and challenge for the NFTC. Our organization has never been more important in the trade agreement arena. We need to help our government and those of our trading partners get these agreements right and put into place at home the means to implement our new international rights and obligations.

Ambassador Alan Wm. Wolff is a Senior Counsel of the International Trade Practice at McKenna Long & Aldridge LLP and is the Chairman of the NFTC Board of Directors.

International Trade & Export Finance

NFTC Releases Draft Trade Promotion Authority Act of 2013

In April the NFTC released its draft bill, *Trade Promotion Authority (TPA) Act of 2013*, developed to initiate and facilitate debate over the objectives of future trade agreements and ensuring an efficient “fast track” process for Congressional consideration of implementing legislation. This draft legislative text is an updated version of the NFTC’s draft *Trade Negotiating Authority Act of 2009*.

“Trade promotion authority is critical to U.S. trade policy, and with the renewal of TPA legislation at the forefront of the trade agenda this year, we hope to jumpstart the debate with the release of our new draft legislation,” said NFTC President Bill Reinsch. “The global trading system has seen significant changes since the last TPA bill was signed into law. Our draft legislation includes new negotiating objectives that address the challenges and realities of today’s global trading system, including forced localization, cross-border data flows and intellectual property rights, just to name a few.”

The new fundamental negotiating objectives cited in the draft bill include:

- Ensuring that regulations in the United States and abroad are coherent, science-based and arrived at transparently;
- Enhancing the protection of intellectual property rights by ensuring that U.S. standards of protection and enforcement are incorporated in new trade agreements;
- Ensuring that U.S. companies have full access to global supply and distribution chains;
- Modernizing rules, standards and practices governing the flow of data and information across borders;
- Harmonizing customs and other border measures to facilitate trade;
- Ensuring high levels of environmental protection and respect for fundamental labor rights;
- Strengthening rules against forced localization through practices and laws that force companies to source goods and services or transfer technology as a condition of doing business;
- Strengthening World Trade Organization (WTO) rules to prevent market-distorting export restrictions;
- Promoting transparency and non-discrimination in government procurement systems; and
- Improving health outcomes by creating competitive opportunities for a full range of U.S. products (innovative and generic) and services.

Additionally, the draft legislation acknowledges that multilateral negotiations are moving toward a two-track system within the WTO in which countries willing to undertake greater liberalization can do so on a non-MFN basis without being held back by those unable or unwilling to participate and calls for tougher enforcement of the “substantially all trade” requirement for free trade agreements. The bill also focuses bilateral objectives on countries that would provide the greatest economic benefit to the United States, in addition to encouraging harmonization of the rules in various bilateral and regional agreements.

Procedurally, the bill would renew trade promotion authority for five years with the option to extend it at regular five-year intervals if the President requests and the Congress does not disapprove. It would also create a special rule for the TPP negotiations, permitting the fast-track procedures to apply to implementing legislation for a TPP agreement only if one were submitted within a year of the date of enactment of the bill.

The bill also creates an Office of Trade Analysis within USTR and establishes a petition process within the Executive Branch for considering proposals to remove U.S. nontariff trade barriers.

The full text and summary of the bill, as well as a list of major changes from the 2002 law are at the following URL:

- <http://www.nftc.org/default/trade/2013/TNA%20bill%20significant%20changes%202013.pdf>
- <http://www.nftc.org/default/trade/2013/TNA%20summary%202013.pdf>
- <http://www.nftc.org/default/trade/2013/TNA%20bill%20as%20of%202013-25-13.pdf>

News for Our Members

NFTC Foundation Holds Immigration Discussion with Duke University, Mayor Bloomberg Coalition

On March 28, the NFTC Foundation held the first in a series of regional roundtable discussions on the impact of U.S. immigration and visa policies on America's competitiveness. The Foundation hosted the discussion, "Goodbye Global Innovators?," at the Duke University Fuqua School of Business in partnership with the Durham Chamber of Commerce, Duke, and the Partnership for a New American Economy.

The discussions were led by Jeremy Robbins, who serves as the director of the Partnership for a New American Economy, a coalition of mayors and business leaders founded by New York City Mayor Michael Bloomberg and Rupert Murdoch to encourage action on immigration reform. Robbins highlighted the importance of global mobility to the success of the American economy, noting that over 40 percent of Fortune 500 companies are fueled by immigrants or their children. He highlighted Partnership studies indicating that, while immigrants are 12 percent of the U.S. population, they start 28% of U.S. businesses and have a hand in 76 percent of patents filed by major universities. Robbins suggested that, "We have a fundamentally broken immigration system, and we talk about it in the wrong way. We talk about it as political tools to win elections but not to change policy."



Left-to-right: Jeremy Robbins, Partnership for a New American Economy; Ronnie Chatterji, Duke Fuqua School of Business; Judith Cone, University of North Carolina at Chapel Hill; Pan Wu, Duke University

The forum was broken up into two conversations: one examining the impact on business and entrepreneurs and another exploring the impact on university communities. North Carolina-based IEM President and CEO Madhu Beriwal helped guide the business discussion, and talked about her challenges starting a business as an immigrant and running a company that requires technical expertise and security clearances. Beriwal suggested that, "9/11 was a watershed event for us...A lot of people that have these degrees have difficult times getting clearance."



Left-to-right: Jeremy Robbins, Partnership for a New American Economy; Madhu Beriwal, IEM; Nicole Hedrick, IBM; Chris Hare, The nTeTe Group.

Nicole Hedrick, HR Director for Global Immigration at IBM, added that foreign-born individuals drive additional growth in the United States. She also pointed out that the university system in the United States has a pool of qualified talent, but many are foreign nationals whose status makes it difficult to hire them in the United States. She also noted the importance of educating Americans. "We need to excite our children [about science, engineering and mathematics] so we don't have this...issue 10, 15, 20 years down the road." Chris Hare, CEO of the nTeTe Group and former Head of Technology Incubation at Sony Ericsson, observed that start-ups cannot operate if their employees lives and work status are in flux for months or years.

Speaking about the impact of global mobility on universities, Ronnie Chatterji, Associate Professor at the Fuqua School of Business, noted that 40 percent of daytime Fuqua students are international. "[Foreign] students are...looking at business schools all over the world, but they choose here because they want to try to stay here. They don't want to come here for school then be told to leave."

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International Trade & Export Finance

NFTC Foundation Holds Immigration Discussion with Duke University, Mayor Bloomberg Coalition

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Judith Cone, Special Assistant to the Chancellor for Innovation & Entrepreneurship University of North Carolina at Chapel Hill, suggested that some of the problems are related to process, not policy: "We look at immigration and say, 'We have a real issue.' But I think there are things we can do that don't need legislative action. This is a process issue also - when you hear about mistakes or glitches in the processes in the government...We need to have people that can work through bad processes." To illustrate the point, Pan Wu, a Ph.D. candidate in Duke's Department of Chemistry, noted that the visa process can be daunting. He described waiting for hours outside in Beijing for a one minute interview, followed by a background check that can take up to 3 months. He suggested that, "the process is quite frustrating for the students and can impact their research."

The NFTC Foundation will hold a total of four discussions this year thanks to a grant from the GE Foundation. The Foundation intends to collect stories and recommendations from each of these discussions to improve the national conversation about immigration and visa policy.

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

NFTC Opposes State Buy America and State Iran Sanctions Legislation

The NFTC and USA*Engage are actively opposing an increasing number of bills in state legislatures to require their state to buy American goods and services. Thirty-seven states have acceded to the WTO Government Procurement Agreement, which prohibits them from enacting this kind of bill and ultimately would expose the Federal government to a penalty. In those states, which are parties to the GPA and where Buy America legislation has been introduced, the NFTC has written the sponsors of the Buy America bills, the state legislative leadership and the governor to urge them not to violate their state's international treaty obligation by enacting the bill. In one case there is "Buy Nebraska" legislation in that state's legislature and the NFTC likewise urged that the bill be defeated or vetoed if passed. The NFTC and USA*Engage are also reaching out to the attorneys general of all states to enlist them in discouraging Buy America and buy-local legislation.

The importance of the issue is heightened by the fact that for the past several years a priority for U.S. negotiators has been the inclusion of sub-central units of government in the GPA, especially in China and Canada where they constitute major procurement markets that are not fully open to U.S. companies.

The NFTC and USA*Engage have likewise opposed the proliferating state sanctions legislation on Iran. Many of these bills are selective purchasing measures that prohibit state and local entities from procurement from companies doing business in Iran or Sudan. Those bills are in direct conflict with the Supreme Court *Crosby v. NFTC* decision. Our letters remind them of that precedent and also that the NFTC can sue them if the bills are enacted and enforced, imposing injury on NFTC-member companies. Seven states have enacted Iran procurement sanctions and the NFTC and USA*Engage are tracking implementation to identify opportunities to sue pursuant to the *Crosby* precedent. Other legislation requires divestment of state assets from companies active in Iran's oil and gas sector. These bills cite the Federal sanctions passed in 2010 in CISADA as authorizing their action. In these cases the NFTC reminds the governors and legislators of the Federal court ruling in *NFTC v. Giannoulis* which struck down Illinois' public pension divestment sanctions law.

Members seeking more information about state Buy America bills and state sanctions measures, contact Dan O'Flaherty at doflaherty@nftc.org.

News for Our Members

University of Texas at Austin Plays Host to NFTC's Second Immigration Forum

The University of Texas at Austin served as a partner and host to the NFTC Foundation's second forum on the impact of immigration and visa policies on U.S. competitiveness. Conversations centered on the ability of the United States to attract and retain top global talent, particularly students, entrepreneurs, researchers and high-skilled workers. A keynote luncheon, featuring remarks by Admiral Bob Inman, examined the impact of U.S. immigration and visa policies on U.S. national security and other critical national interests.



L-R: Columbia Mishra, PhD Candidate, UT Austin; Jeremi Suri, Professor, LBJ School of Public Affairs, UT Austin; Andrew Thorley, Assistant Director, International Student and Scholar Services, UT Austin; Ryan Erickson, Partnership for a New American Economy

In addition to NFTC President Bill Reinsch and Vice President for Global Trade Issues Jake Colvin, speakers included Ryan Erickson with the Partnership for a New American Economy; Rose Jennings, Director, Employment Law, AMD; Chetan Kapoor, CEO and Founder, Agile Planet, Inc.; Columbia Mishra, Ph.D. Candidate, Mechanical Engineering, University of Texas at Austin; Ting Shen, Co-founder and CEO, NanoLite Systems, Inc.; Erika Sumner, Co-Founder, Social Good TV; Jeremi Suri, Professor and Mack Brown Distinguished Chair for Leadership in Global Affairs, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin; and Andrew Thorley, Assistant Director, International Student and Scholar Services, International Office, University of Texas at Austin.

In addition to the University of Texas, partners included the Austin Chamber of Commerce and Partnership for a New American Economy.

Speakers and participants emphasized similar themes that arose during the Foundation's launch event a week earlier at Duke University. Discussion centered on making it easier for people coming out of university system to stay and contribute to the U.S. economy; to create new incentives and pathways for entrepreneurs; and to make long-term investments in science, technology and social sciences at early-stage education to encourage a new generation of Americans to engage in science and math careers. Discussants also focused on process issues, suggesting that there was more the United States could do to improve the way in which visas are adjudicated.



L-R: Ting Shen, NanoLite Systems; Chetan Kapoor, Agile Planet; Rose Jennings, AMD; Jake Colvin, NFTC

Later this year, the NFTC Foundation will hold two additional events with major universities elsewhere in the country as part of a national innovation initiative made possible by the GE Foundation. For more information, contact Jake Colvin at jcolvin@nftc.org.

Save the Date: World Trade Dinner Scheduled for October 9th

The NFTC Foundation's Annual World Trade Dinner and Award Ceremony will take place on Wednesday, October 9, 2013. 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. 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 for details.

NFTC, USA*Engage Welcome Supreme Court's Decision in Major Alien Tort Statute Case

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In concluding, the Court ruled that “corporations are often present in many countries and it would reach too far to say that mere corporate presence suffices. If Congress were to determine otherwise a statute more specific than the ATS would be required.”

Justice Roberts wrote the majority opinion. Three concurring opinions were written, one by Justice Kennedy, another by Justices Thomas and Alito and a third by Justices Breyer, Ginsburg, Sotomayor and Kagan. There was no dissenting opinion.

The Kiobel decision builds on the Sosa decision in narrowing the application of the ATS to the original causes of action contemplated by the Congress in 1789: piracy on the high seas and attacks on diplomats in the United States and not “conduct in the territory of a foreign sovereign.” The Court has therefore assented to the argument made in the NFTC/USA*Engage-led amicus brief.

To read the Court's decision, follow the URL below and for more information contact Dan O'Flaherty at doflaherty@nftc.org
<http://www.nftc.org/default/SA%20Alien%20Tort%20Case/Kiobel%20v%20Royal%20Dutch%20Supreme%20Court.pdf>

Dealing with Iran

In the remarkable and riveting Israeli documentary, “The Gatekeepers,” constructed around interviews with six former heads of Shin Bet, Ami Ayalon – recipient of the medal of valor, Israel's highest decoration; head of the Israeli Navy, who accepted the Shin Bet post only after Yitzhak Rabin's assassination, serving from 1996 through 2000 – paraphrases Von Clausewitz: “Victory is the creation of a new political reality.”

He is commenting, as his five comrades do in their ways, on the paradox that has prevailed since the outcome of the 1967 war; that since Rabin's assassination, the series of tactical “successes” effected by Shin Bet in responding to terrorism and implementing occupation of the conquered territories has afforded successive Israeli governments the means to avoid a strategic agreement regarding a Palestinian state.

Ayalon's dictum also applies to the present state of U.S. relations with the Islamic Republic of Iran over Iran's presumed advance toward nuclear weapons capacity: implementation of ever more draconian economic sanctions that paradoxically enable the leadership of both countries to avoid direct strategic engagement regarding each country's core interests. Whatever the material effects of the sanctions to date, their existence does appear to insulate Iran's ruling regime from the consequences of domestic economic mismanagement.

The fact is Iran's rulers are not going to give up whatever their nuclear ambitions may be tomorrow. Nor will they ignore the effects of the sanctions on their country going forward, particularly given the qualitative change in world oil markets brought about by the oil and natural gas renaissance in the United States and rising production in Iraq.

President Obama's re-election presumably gives him license to conduct foreign policy with Iran less constrained by domestic political considerations. Once the next President of Iran is elected, Iran's Supreme Leader, Ayatollah Khamenei, may have greater warrant to engage with the United States. One simply cannot predict whether Iran will negotiate, nor what its actual parameters will be.

In the interim, Congress would do well to do no harm: (a) by refraining to pass additional sanctions and (b) by widening its collective angle of vision to include the realities of the entire region, not exclusively the posture of Israel's current Prime Minister about Iran and “the bomb.”

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

Expatriate Tax Issues

As more companies are moving employees to their operations around the globe, there are tax as well as human resource considerations that employers must consider when deploying American's overseas. The tax and HR departments should work closely to be sure that the tax rules are followed for all employees.

The key tax issues for expatriate employees:

1. Section 911—Foreign housing expense exclusion. Treasury updates the 911 list and amounts regularly, and those updates should be noted for employees.
2. FBAR—Foreign Bank and Financial Accounts. The Financial Crimes Enforcement Network (FinCEN) of the Treasury Department requires the employees who have signature authority, but no financial interest in foreign financial accounts of their employer to file an annual FBAR form. Employees must also file FBAR forms with the IRS if the aggregate of all of their foreign financial accounts exceeds \$10,000 at any time during the calendar year to be reported. The FBAR forms are not filed with the income tax return and must be filed electronically with the Department of Treasury, by June 30 of the year following the calendar year being reported.
3. FATCA—Foreign Account Tax Compliance Act. FATCA has three main parts:
 - a. It requires foreign banks and financial entities to find any American account holders and disclose their balances, receipts and withdrawals to the IRS, or be subject to a 30 percent withholding tax on income from the U.S. financial assets held by the banks or financial entities.
 - b. Owners of these foreign-held assets must report them on a new Form 8938 along with their U.S. tax returns. Fortunately, the final FATCA regulations increased the withholding threshold for expatriates to \$200,000 for an individual return and for a joint return, the threshold for the total value of the specified assets must be more than \$400,000 on the last day of the tax year, or more than \$600,000 at any time during the year to trigger the filing requirements.
 - c. It closes a tax loophole that investors had used to avoid paying any taxes on dividends by converting them into dividend equivalents.
4. Totalization Agreements—The United States has entered into agreements with several nations for the purpose of avoiding double taxation of income with respect to social security taxes. These agreements must be taken into account when determining whether any alien is subject to the U.S. Social Security/Medicare tax, or whether any U.S. citizen or resident alien is subject to the social security taxes of a foreign country.
5. Maloney bill—American Citizens Abroad (ACA) has worked with Rep. Caroline Maloney on a Commission on Americans Living Abroad (H.R. 597), that would study the effect of federal legislation on Americans living overseas. The ACA has also been advocating for residence-based taxation (RBT) for Americans living abroad.

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

Global Innovation Forum

USPTO Honors Global Innovation Forum Members for Efforts to Address Humanitarian Needs

The Global Innovation Forum, a project of the NFTC Foundation, applauded Gilead Sciences, Microsoft and Procter & Gamble (P&G), three companies honored on April 11, 2013, with U.S. Patent and Trademark Office (USPTO) Patents for Humanity program awards. All are members of the Global Innovation Forum and were among 10 companies selected to receive awards in this first-ever competition.

“USPTO’s Patents for Humanity program is pioneering policymaking that improves the enabling environment for innovation to meet common global challenges like development, public health, climate change and food security,” said Global Innovation Forum Executive Director John Stubbs. “Patents alone do not put innovation in the hands of people in need. Delivering technology to hard-to-reach markets around the world requires extraordinary effort, and this program should be commended for recognizing that work by leading American innovators.”

“We are honored to be included among this impressive class of recipients,” said Gregg Alton, Executive Vice President for Corporate and Medical Affairs at Gilead Sciences. “Our access program, built on the strength of U.S., Indian and international patent law, demonstrates that intellectual property can work to empower access to medicines. Our generic partners in India and Africa really share this award with us – their contributions to manufacturing innovation have saved millions of lives.”

“Powerful software that can interpret and make sense of the changing world around us requires an intensive and long-term investment in research,” said Horacio Gutierrez, Corporate Vice President and Deputy General Counsel at Microsoft. “Microsoft can make these investments and provide innovations like Infer.NET free of charge for non-commercial activities because we can commercialize our most inventive discoveries. Supported by strong patent protections, the extraordinary thinkers represented in all categories of the USPTO Patents For Humanity award have the resources they need to tackle complex humanitarian problems and make a difference in our world.”

“On behalf of P&G employees and our many partners, we’re thrilled to receive one of the first Patent for Humanity awards for our innovative P&G water purification packets,” said Dr. Greg Allgood, Director and Founder of the P&G Children’s Safe Drinking Water Program. “Now, we’re more determined than ever to scale-up our efforts so that we can save one life every hour in the developing world by providing 2 billion liters of clean water every year by 2020.”

Patents for Humanity is the USPTO’s flagship program that creates business incentives for using patented technology to address global challenges in health and standards of living. Last year, participants submitted applications to USPTO describing how they have addressed humanitarian needs with patented technology in the fields of medicine, food and nutrition, clean technology, and information technology. After a rigorous selection process, USPTO announced last night recipients at an awards ceremony held in the Senate Judiciary Committee hearing room. In addition to recognition of their work, recipients were awarded a certificate for accelerated processing of select matters at the USPTO. More information on the Patents for Humanity program is available here: http://www.uspto.gov/patents/init_events/patents_for_humanity.jsp

For more information, contact John Stubbs at jstubbs@nftc.org.

International Human Resources

NFTC Held Annual International Human Resources forum in Houston

The NFTC Foundation held its 12th Annual International Human Resources forum in Houston on March 20-21, 2013, to a new record of over 150 participants.

Some of the highlights were:

Presentation of the NFTC's first Global Human Resources Innovation Award to Debbie McGee who is the Director of Global Mobility with the South Korea-based Doosan Infracore Construction Equipment. The award recognizes the professional who has made a significant and noteworthy contribution to enhancing the development and engagement of worldwide talent within their company. The award recognizes the recipient as a strategic business partner. Debbi holds a degree from the University of Colorado and is a CPA and holds a GPHR certification. She has been an active member and leader of the NFTC's International Assignment Management Committee.

The forum included sessions on sourcing, recruiting, developing and retaining enterprise-critical staff globally. Case studies and panels included presenters from such companies as: Amgen, Apache, Baker Hughes, BP, Cameron, Chevron, CH2M Hill, Cisco, Dell, Doosan, FMC Technologies, Halliburton, J&J, Schlumberger and Unilever. In addition the Faculty included subject matter experts from: Airinc, Cartus, Deloitte LLP, eWorldwise, Fragomen LLP, Hay Group, Littler Mendelson LLP, the NFTC, Passport Career, Pearl Meyer & Partners and Polaris.

Cathy Schultz, Vice President-Tax, of the NFTC's Washington office gave an update on a range of tax issues that are of importance to our members. (*Details on page 9*) Participants were informed that the NFTC is forming an Expatriate Tax Committee which will focus on tax compliance and regulations that affect international business travelers and cross-border assignees.

For more information, contact Bill Sheridan at wsheridan@nftc.org.

NFTC Foundation Sets 2013 NY IHR Forum June-19-20

The NFTC Foundation is hosting its Annual International Human Resources Management Forum on June 19-20, 2013 at the New York Athletic Club. This Year's Forum will include sessions on:

- Talent and Mobility Management in Non-U.S. Multi-National Corporations
- The Return of Global Equity Rewards
- International Human Resource Data Analytics for Process Improvement and Cost Management
- Protecting International Business Travelers, Expatriates and Local Staff Against Health and Security Risks
- Update on Immigration Laws and Regulations in Key Destination Countries
- Assessing Talent for Cross-Border Assignments-Understanding Cultural and legal Issues
- Utilizing Technology to Improve IHR Process Management
- Understanding and Communicating Enterprise and Individual Responsibilities
- The International Human Resource Manager's Check List
- Wellness Management Goes Global
- Post-Merger International Benefits Integration

In addition to subject matter experts from Cigna Global Health Benefits, Ernst & Young LLP, Fragomen Worldwide, NetExpat and the NFTC the Faculty will include senior corporate international human resource professionals from such companies as companies as ABB, AIG, ArcelorMittal, American Express, Boehringer Ingelheim, Citi, EADS, LMVH, Merck, Roche, and Steelcase.

For more information, contact Bill Sheridan at wsheridan@nftc.org.

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