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.

August—September 2013
Vol 13, Issue 4

View from the NFTC Chair

The period of gestation for a tiger cub is just over 100 days, the Washington National Zoo tells us, with the welcome news of two new cubs being born there this last week. Unfortunately, it takes much longer to conclude trade agreements. My first contact with the trade negotiating process in Geneva came about somewhat by accident. I was sent by the Treasury, where I was a young attorney at the time, to explain the consistency with international trading rules of a new tax measure that would lower taxes on U.S. exports. (That message was firmly rejected by one and all of our trading partners). My boss at the time said that while I was over there I might as well participate in a three-week negotiating session on what became the GATT's standards code (The Agreement on Technical Barriers to Trade). This was early in that negotiation, year three I think of a 12-year slog toward completion of an agreement that could still stand much improvement. (The experience did teach me why standards negotiators find solace in drink at night).

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A Word From the President

"The Price of Prosperity"

The arrival of Mike Froman as U.S. Trade Representative coincides with the emergence of a clear short- and medium-term trade policy agenda, which is really quite simple – finish TPP and TTIP, the Trans-Pacific Partnership and Trans-Atlantic Trade and Investment Partnership respectively.

Of course, while the agenda may be simple; accomplishing it may not be. These are both complicated negotiations with many moving parts. The impact of success would be enormous in both economic and geopolitical terms.

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Countdown to the NFTC 100th Anniversary, 1914-2014

As NFTC approaches its landmark 100th Anniversary, preparations are in full swing. Along with some of the usual things you might expect – a new logo, a book outlining the history of the organization, social media campaign and so on – we've got bigger plans too – receptions, luncheons, honors and awards, even a unique art piece celebrating both our history and our future. The most important outcome of the entire year of activities and events is the message that NFTC isn't 100 years old – we're 100 years STRONG!

From our inception in 1914, NFTC has been remarkably consistent in its philosophy, best summed up by the motto of our first & longtime Chairman James Farrell of U.S. Steel: "Greater Prosperity through Greater Trade." Through the years, NFTC has worked tirelessly to lower tariffs and eliminate non-tariff barriers here and abroad; worked for fairer corporate tax regimes; and promote the freer global movement of goods, services, investment and workforce. During periods of isolationism and protection-ism, NFTC's message has been simple and unwavering – that normal commercial ties are not only mutually beneficial, they also help ensure a more peaceful world.

In fact, each U.S. president – from FDR to Ronald Reagan – regularly consulted NFTC for advice and to offer congratulations at the conclusions of tense negotiations or tough legislative victories.

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A Word From the President

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History suggests that getting 95% of the way is fairly easy, but the last five percent inevitably depends on the willingness of all parties to make difficult concessions that carry with them domestic political costs. If the negotiators do their work well and the leaders are prepared to make bold decisions, the balance of gains and concessions can be net favorable for everybody, but we should not delude ourselves that there will be no costs to the U.S. economy and no unhappy campers.

Ironically, despite all the talk and media focus on "21st century" agreements dealing with new issues like digital trade, free flow of information, localization barriers to trade, state-owned enterprises, intellectual property protection, regulatory harmonization and the like, it appears that the endgame in both negotiations will be very familiar to veteran trade negotiators because it will focus on market access. In TPP, I predict the most difficult decisions will be how much apparel and footwear we will accept from Vietnam, and how we will handle Australian sugar and New Zealand dairy products. TTIP is not nearly as far along and thus harder to predict, but you can expect decisions on beef, cheese, chickens and a number of manufactured products to go down to the wire.

From one perspective, this is good because negotiators know how to cut those deals, and the will to do so appears, for the time being, to be there. From another perspective, however, this can be bad because the "losers" in these deals will be able to identify themselves loud and clear, and if there are too many of them, they might sink the agreements.

The difficulty for the United States is that as our economy is increasingly based on services and high technology, our biggest winners might well be the beneficiaries of harmonized regulations with the European Union that save these sectors a lot of money, better IP protections that allow them to keep their trade secrets, or rules that let the digital economy thrive. Those, however, are not immediate gains that can be easily quantified and thus are harder to recognize in the short term, meaning that the "winners" voices could easily be drowned out by the losers.

This poses a challenge for Ambassador Froman and the Obama Administration. The right answer for our economy could well be short-term concessions on specific products in order to secure new rules and market access in the long term that will help our economy grow and create jobs, but that strategy carries with it the greatest political risks. That, of course, is why trade negotiations often get 95% of the way there and then stall. No one wants to take the heat produced by trade concessions. If anybody can overcome that, it's Mike Froman, who is a skilled negotiator and effective closer who has had a long relationship with the President, but if he is to succeed, he will not only have to out-maneuver his foreign counterparts, but also persuade skeptics inside the Administration and the Congress that the right answer for America is recognizing that in order to grow our strengths and secure our long-term future, we may have to incur short-term costs.

"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.

View from the NFTC Chair

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Last month I was on-site, as something of a stand-by doula or perhaps cheerleader, for some of the new subjects under negotiation in the Trans-Pacific Partnership (TPP) in Round 18 of the talks, held in Kota Kinabalu, Malaysia. ("KK" is a destination resort mostly for South East Asian families and is located on the north side of Borneo). For me this was the 6th TPP round that I attended as a "stakeholder," starting with Melbourne, Australia, in February 2012. At that time the U.S. proposal for disciplines on state-owned enterprises (SOEs) was very new and I was a co-presenter on behalf of the U.S. private sector to explain why we cared about the subject, and what it was all about.

Now the question on timing is whether the entire TPP negotiation can be completed by year-end. Our U.S. Trade Representative Mike Froman said this last Friday that he was "cautiously optimistic" on achieving this result. Everyone is conscious that spending too long on negotiations can lead to an impasse (for a sobering account of this condition, see "Doha Development Agenda" on Wikipedia, as opposed to just reading G-20 statements). In fact, there was significant progress on TPP at the Malaysian Round, with texts of additional chapters largely closed. Now comes the hard part. Areas of very longstanding trade barriers, some to imports of commodities (sugar, textiles, dairy, footwear, rice, etc.) and others to goods and services, will take an exercise of major political will in a number of capitals, including Washington, to be put on the path to more open trade. In addition, the new "21st century" subjects such as freedom of trans-border data flow and disciplines on SOEs require a degree of comfort on the part of negotiators and their governments. None of this is easy. But it is doable.

TPP is very important, not just for the trade liberalization and economic growth that it will bring, but as a way to regain momentum toward basic reforms of the international trading system that cannot at present be achieved in Geneva. Whether it is just a matter of happenstance (such as the advent of Prime Minister Abe and his growth strategy of "Abenomics") rather than the product of a prior grand strategy, with the addition of Vietnam and Japan to the negotiations, as well as Mexico and Canada, TPP provides the opportunity to shape much of world trade. The region is home to 40 percent of the world's population and produces nearly 60 percent of global GDP according to the Congressional Research Service. What is agreed in TPP is bound to have a strong influence on the new Transatlantic Trade and Investment Partnership (TTIP) negotiations. With the European Union accounting for just over one-quarter of world GDP, the trade and investment liberalization these two agreements offer, presents not just an opportunity for a much needed global economic stimulus, but a chance to build a set of rules that will govern most of world trade.

This lets us foresee the potential end game: to come back ultimately to Geneva to create an updated and improved multilateral trading system. The current sets of negotiations (Trans-Pacific, Trans-Atlantic, and in Geneva the expansion of the Information Technology Agreement and the nascent Trade in Services Agreement along possibly with agreement on trade facilitation) can be the most important steps forward in international trade since the founding of the GATT and the WTO. It is not impossible to see China first and then the rest of the BRICs coming around to the view that joining this consensus is in their interest as well. But that may be several years into the future.

The balancing act is to bring the TPP negotiation to a successful conclusion relatively soon while leaving nothing of importance out. The planets appear to be aligned. That may not occur again for this generation. This could be our "Bretton Woods" moment. The National Foreign Trade Council (NFTC) can play a vital role, in close cooperation with our sister associations, to support our negotiators to obtain the necessary results.

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.

At SXSW, NFTC, eBay and Intuit Emphasize the Role of Startups in International Trade

The NFTC organized a discussion on how technology is enabling startups to participate in the global marketplace at a “Venture-to-Venture” conference organized by SXSW in Las Vegas. During the August 13 discussion, speakers highlighted the growing participation of even early-stage startups in global commerce. Jake Colvin of NFTC noted the growth of Internet-enabled exports thanks to the emergence of e-commerce, payment, logistics and cloud services that lesson the friction that comes from engaging overseas.

Warren Liao, who founded Black Lapel, an online custom tailoring company for men, detailed how he exported to 74 countries in his first year of operation. He suggested that developing markets possess huge long-term grown prospects for companies like his, and that Internet technologies and platforms enable startups to build a global brand immediately.

The CEO of the New York-based logistics company Borderfree, Mike DeSimone, discussed his company’s work with large retailers to help extend their ecommerce businesses outside of the United States. He highlighted the massive opportunity for digital trade, given the high degree of internet connectivity in key global markets combined with currently low penetration of ecommerce. In Australia, 80 percent of the population is online but only 1.5 percent of retail sales are through ecommerce.

Usman Ahmed of eBay discussed the emergence of the multinational startup, and offered several case studies that illustrate what is happening in the global marketplace. He told the story of a student at the University of Washington who started a company called Gameclip, which connects a gaming joystick to an android device. Rather than pitching to a brick-and-mortar retailer, Ryan has sold to over 80 countries exclusively on his website.

Intuit’s Lindsey Grossman presented several lessons that her company has learned working with startup and small business customers looking to enter the global marketplace. Among her advice was to make sure to develop a good story and to empower your best customers to tell it. As an example, she noted that Fenugreen, a small business that manufactures inserts to keep produce fresher longer, has expanded its reach to places including Malawi and Haiti because enthusiastic U.S. customers helped introduce their product overseas.

Panelists suggested ways in which startups and small businesses could improve their understanding of global markets and better address challenges, such as using the Foreign Commercial Service as a resource, engaging directly with foreign governments, and aligning with business associations and larger or more established companies with similar interests.

The forum, a spinoff of the annual technology and music festival held each March in Austin, Texas, was attended by startups, investors and government officials.

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

NFTC Welcomes Chinese statement on BIT negotiations

The NFTC has long supported the U.S. Bilateral Investment (BIT) Treaty Program. Therefore, the NFTC welcomed the Chinese commitment at the July S&ED meeting to negotiate a high-quality BIT with the United States based on the U.S. BIT architecture. This was a major decision taken at the highest level of the Chinese government and signaled that China has acceded to a common understanding of the core commitments of the U.S. BIT program by agreeing to pre-establishment obligations, national treatment and a negative list approach. This is rooted in China's focus on domestic reform, China's increasing use of its own BIT's to protect Chinese outbound investment, and to the fact that China's FDI in the United States has risen fourfold since 2008 to $5 billion. China appears to be moving toward a single regime for domestic and foreign investors.

There will no doubt be significant problems in negotiating a BIT and subsequently monitoring Chinese implementation of its obligations. Foreign investors in China already encounter numerous challenges, including performance requirements and technology transfer, China's approval process for FDI, preferential treatment of Chinese SOEs and support for national champions. Problems are also anticipated in dealing with China's Strategic Emerging Industries policies and central, provincial and municipal government procurement, especially since the United States will likely carve out state procurement. It is unrealistic simply to expect China to stop these practices immediately upon signing a treaty, particularly because many of them occur at the provincial and local levels of government which do not always toe the party line.

No date has yet been set for another round of negotiations, but they are expected in the fall. The NFTC will continue to monitor the progress of BIT negotiations with China and report to member companies.

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

Iran Update

My administration is now committed to diplomacy…and to pursuing constructive ties among the United States, Iran, and the international community. This process will not be advanced by threats. We seek instead engagement that is honest and grounded in mutual respect.
—President Obama, March 2009

The only way for interaction with Iran is a dialogue on an equal footing, confidence-building which should be mutual and mutual respect as well as reducing antagonism and aggressiveness... I want to clearly express, that if you want the right response [on the nuclear issue], it should not be through the language of sanctions, it should be through the language and discourse of respect.
—President Rouhani, August 2012

Rhetoric notwithstanding, the Obama Administration's actual Iran policy has been coercive diplomacy: ever increasing economic sanctions coupled with the P5plus1 talks.

As William Luers, Thomas Pickering, and Jim Walsh observe in their New York Review of Books brief, "For a New Approach to Iran," the phrase "coercive diplomacy" – talk and sanctioning to the point of an all but complete embargo – is an oxymoron.

Rouhani's surprising victory in the first round of voting speaks volumes about the Iranian electorate's reframing of the Green Revolution of 2009. As Luers and his coauthors argue, the facts on the ground in Syria and Afghanistan, coupled with the U.S. intelligence assessment that Iran has not made a decision to build a nuclear weapon make bilateral, strategic negotiations between the United States and Iran a momentous opportunity.

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Iran Update

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Congress does not share this view. Indeed, both chambers seem dead set against it. The House voted 400-10 before recess to pass H.R. 850, *The Iran Nuclear Prevention Act of 2013*, that would enjoin the President to seek a total embargo on Iran's sale of crude oil. A few days later, 76 senators sent the President a letter calling for tougher sanctions and demanding that the standard for negotiating with Iran be its suspension of all nuclear enrichment activities.

Before these Congressional actions, USA*ENGAGE wrote to every member of the House:

"Whatever the arguments for trying to restrict further Iran's ability to export crude oil, as well as curtail President Obama's flexibility in administering sanctions, the fact that Iran's duly elected President is about to take office and hopefully seeking to return Iran to the community of nations argues for not preemptively torpedoing his efforts. House passage of H.R. 850 days before Rouhani takes office would certainly be perceived as such.

"The Administration has been successful in multilateralizing sanctions and doing serious harm to Iran's economy. Rouhani's election appears to have been free and fair, in contrast to the previous election, and demonstrably not the preferred result of the ruling regime. This creates an opportunity for diplomatic progress, however slim, but it is one we should not ignore. At the very least, because it is the responsibility of our President to conduct U.S. foreign policy, he should be given the chance to do so.

"This is precisely the wrong time to limit President Obama's flexibility in dealing with Iran's newly elected president."

Several things seem clear:

- The sanctions hurt Iran's economy and ordinary Iranians. To date, there is nothing to indicate they affect the calculations of Iran's leaders regarding the nuclear issue; nor do they alter the view of a majority of Iranians that Iran has the right to development nuclear energy.

- Direct, strategic bilateral engagement would not change the Iran nuclear calendar unless it proved to be successful.

- While much has been made of the fact that the reduction in Iranian crude oil exports has not debstabilized world oil markets, no one knows where prices would be if Iran were exporting at capacity. Does the probability of an order-of-magnitude world oil price drop excite anyone?

If past is prologue, Congressional views will not change, given domestic political considerations. On the other hand, Rouhani does seem to have warrant for Iran to engage with "the Great Satan" as one sovereign state to another. And U.S. presidents – Nixon's road to China – have the capacity to enact strategic breakthroughs. After all, the Framers did stipulate that the office of the President conduct foreign policy.

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

Base Erosion and Profit Shifting—What the BEPS Does it Mean?

On Friday, July 19, 2013, the Organization for Economic Cooperation and Development (OECD) released the Base Erosion and Profit Shifting (BEPS) action plan. The BEPS project was born out of a growing concern about how large multinational enterprises handle their tax planning, and that aggressive tax minimization has led to base erosion and double non-taxation of certain corporate income. As governments try to desperately reduce large fiscal deficits against a backdrop of international fiscal turmoil, tax planning by large multinational corporations has been denounced as immoral and unpatriotic. Complex tax issues are often reduced to sound bites and facts are used selectively by politicians to make their case against perceived aggressive tax planning. The G-20 met in Mexico in June 2012, and instructed the OECD to undertake a study of base erosion and profit splitting. On February 13, 2013, the OECD released the first BEPS report. The report provided a comprehensive analysis of the current tax environment and considers how BEPS may be addressed. The report did not prescribe specific measures to deal with BEPS, but it suggested that changes to established tax principles are required that could have significant implications for international taxation. The report acknowledged that multinationals engage in entirely legal and legitimate tax planning and comply with the tax laws of the countries in which they do business. The report states that current international tax principles and approaches are no longer adequate to ensure a fair tax system in the current era of globalization and e-commerce.

The report suggested that increased globalization requires changes to major international tax principles, including: 1) reconsideration of the balance between source and residence taxation; 2) better alignment of rights to tax with "real economic activity"; 3) quick changes to existing tax treaty provisions where they present "difficulties"; 4) calls for cooperation and action at both the OECD and national levels"; 5) calls for "immediate" action by tax administrators to improve "compliance"; and 6) acknowledges the need for the OECD to hear input of "all stakeholders" including the BRICS, business and civil society (non-governmental organizations (NGOs)). The key areas of concern pointed out in the report, were elaborated on in the BEPS Action Plan.

The BEPS Action Plan released in July calls for new international standards "to ensure the coherence of corporate income taxation at the international level" and new transfer pricing rules that address the use of "intangibles, risk, capital and other high-risk transactions to shift profits." The Action Plan sets forth work to be done in fifteen areas of law and tax practice. The Action Plan is supposed to be done by the end of 2015, with the possibility that some of the work will take longer.

The 15 BEPS action areas include: 1) tax challenges of the digital economy; 2) hybrid mismatch arrangements; 3) CFC rules; 4) the deductibility of interest and other financial payments; 5) harmful tax practices of countries; 6) tax treaty abuse; 7) artificial avoidance of permanent establishment (PE) status; 8) transfer pricing for intangibles; 9) transfer pricing for risks and capital; 10) transfer pricing for other high-risk transactions; 11) development of data on BEPS and actions addressing it; 12) additional disclosure of aggressive tax planning arrangements; 13) country-by-country transfer pricing documentation; 14) effectiveness of tax treaty dispute resolution mechanisms; and 15) the development of a multilateral instrument for amending bilateral tax treaties to implement measures developed in the course of the work on BEPS.

The G-20 Finance Ministers meeting in Moscow supported the BEPS Action plan. The G-20 leaders will meet in St. Petersburg in early September, and are expected to support the action plan as well.

The issues surrounding the BEPS project are not new. For the past several years, before the on-set of the BEPS project the OECD had already been doing a great deal of work in the various Working Parties on many of the items included in the BEPS Action Plan. Recent OECD reports on aggressive tax planning include:

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Base Erosion and Profit Shifting—What the BEPS Does it Mean?

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Tackling Aggressive Tax Planning Through Improved Transparency and Disclosure (2011), Corporate Loss Utilization Through Aggressive Tax Planning (2011), Hybrid Mismatch Arrangements—Tax Policy and Compliance Issues (2012), Aggressive Tax Planning based on After-Tax Hedging (2013), the OECD Model Tax Convention: Revised Proposals Concerning the Interpretation and Application of Article 5 (Permanent Establishment (October 19 2012-January 2013), and the Discussion Draft on the Revision of the Special Consideration for Intangibles in Chapter VI of the OECD Transfer Pricing Guidelines and Related Provisions (June 6-September 2012). The OECD spent many years working on electronic commerce. The OECD Working Party 6 continues to work on valuing risks, and ownership of intangibles, specifically looking at how you can accurately value risks and intangibles, which are inherently difficult to price and are very mobile. The OECD also has the work underway in Working Party one on the various tax treaty issues.

Now that the BEPS Action plan has been released, where do we go from here? The BEPS Action plan says that the work will largely be completed in a two-year period, with some actions identified as likely to be delivered over 12-18 months and others requiring more than two years. Once the Action plan is completed, the Actions must be accepted by all of the OECD and non-OECD countries especially if there are altered requirements for transfer pricing. In closed-door meetings, U.S. Treasury officials say they are concerned that no harm is done to long-standing tax rules that work in the majority of situations. For example, the French government requested and strongly pushed for Action item number 1, calling for a task force to study the tax challenges of the digital economy. The French issued a report of the topic in January that called for a change to the OECD's permanent establishment rules to create a "virtual establishment" principle. A virtual PE would enable the OECD countries to tax companies in proportion to the volume of user data they use within those jurisdictions. The U.S. Treasury does not support that proposal, and feels no need to go along with a consensus that is unprincipled, or in its view, fundamentally wrong. The U.S. would like to strengthen the controlled foreign corporation (CFC) rules as part of the BEPS project.The U.K., as part of its recent tax reform efforts, and in a lengthy consultation with the business community, revamped its CFC rules. The BEPS project may look to the U.K. rules as a model to follow, but if it the governments decide to take a different approach than the British CFC rules, would the British accept the BEPS changes? The British have also recently adopted a patent box as a way to attract more foreign direct investment. How willingly would the U.K. surrender these new changes to its tax code? Coming to agreement on BEPS could mean giving up some sovereignty on taxing rights. How likely is it that all of the G-20 governments supporting the BEPS Action plan will be willing to change their underlying tax laws to adopt changes they don't support?

In the United Stated, the House Ways and Means Committee and the Senate Finance Committee are considering reforming the U.S. tax code. There are many political hurdles to tax reform, and it is unlikely that there will political agreement on tax reform in Congress in the next two years, before the 2014 elections. Chairman Camp of the House Ways and Means Committee will be term limited out of the Chairmanship at the end of 2014. Chairman Baucus of the Senate Finance Committee is retiring from the Senate at the end of 2014. There are great political differences between the Republican controlled House and the Democratic controlled Senate that will make the passage of tax reform very difficult. The Republicans would like to enact a revenue neutral tax package. The Democrats would like to raise revenue to offset the current fiscal deficit. Neither side has shown any willingness to compromise on this revenue issue.

The Obama Administration is very supportive of the BEPS project, but does not have tax reform as a high priority. Without a reform of the U.S. tax system, many of the changes likely to result from the BEPS Action plan will be difficult to enact in the U.S. If changes are proposed through the adoption of an OECD multilateral tax treaty, there is no guarantee that the U.S. Senate will be able to adopt that multilateral.

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There is an OECD multilateral convention on the exchange of information that is currently languishing in the U.S. Senate, and any other multilateral will be difficult to adopt quickly. If the U.S. has political problems adopting the recommendations of the BEPS project, will the other OECD countries proceed without them? Many of the concerns of the OECD members involve U.S. multinationals. Without changes in the U.S. tax law, it will be hard to address the individual BEPS action items separately.

Conclusion

The media, governments and international organizations such as the OECD acknowledge that for the most part, multinational corporations are very concerned with respecting and conforming to the tax laws of the jurisdictions in which they operate. The OECD report on BEPS uses the example of how companies may operate in a jurisdiction without having a taxable presence in it, in order to demonstrate that today's tax laws may not provide for a reasonable or fair allocation of taxing rights. The report reflects the position of several high-tax jurisdictions that some existing and accepted tax principles should be revised. Many countries deliberately create tax incentives in or to become more attractive to foreign investors. Multinational corporations are free to choose the territories in which they wish to establish. A lot of what is at the center of the debate on corporate tax avoidance therefore comes down to companies responding to the tax incentives that have been introduced into the tax laws in the countries in which they operate. The BEPS project is in its early stages. Coming to consensus on the items included in the action plan could be difficult. It is hard to gauge how willing governments will be to change their tax rules to adopt any final BEPS recommendations if consensus is reached. How can the various governments be brought to a common understanding on tax rules, considering that in most countries, the tax regime in place reflects a policy designed to enhance that nation's economic development?

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

Global Workforce Summit-Denver-November 5, 2013

The NFTC, in conjunction with Behre Dolbear, KPMG and the Society for Mining, Metallurgy and Exploration (SME), will convene a summit in Denver, Colorado on November 5, 2013. The focus of the program will be meeting the challenges of sourcing, recruiting, developing and retaining enterprise-critical talent in the energy, energy services, engineering and construction, and mining sectors globally.

Despite the downturn in prices in the metals sector, the demand for engineering, geological, craft, technology, supervisory and other technical talent and the confluence of demographic trends, reductions in mining school programs, scarcity of women geologists and engineers, expansion of exploration, production and processing in "frontier" locations such as Ghana, Peru, Mongolia and Myanmar and competition from China and Brazil are issues that will be covered in the summit.

While the human capital issues may not be new, the summit will address creative short-term and long-term solutions to the myriad of challenges.

In addition to subject matter experts from the co-sponsors, the faculty will include senior executives, line managers and human resource colleagues from sector companies.

The detailed agenda and registration information will be posted soon to the NFTC website, and for information, contact Bill Sheridan at wsheridan@nftc.org.

News for Our Members

Countdown to the NFTC 100th Anniversary, 1914-2014

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Augmented by the grassroots educational work that NFTC and, since 1979, its Foundation have done, today no trade focused organization can match the history of heft and influence of NFTC. For member companies, sponsorship opportunities abound. Plans currently call for a formal kick-off reception in January with a reception at the historic home of President Woodrow Wilson, who was instrumental in the founding of the Council (rumor has it that President Wilson himself may attend!); a series of luncheons in major markets across the nation addressing critical future trade issues such as energy, digital trade, innovation, workforce development, taxation and expatriate treatment.

Various awards and honors are also in the works but are best left to the element of surprise.

Corporate members are encouraged to join the celebrations and donate to the 100th Anniversary Fund to help fund these events and activities. In return they will be recognized on what is perhaps most unique of all the 100th Anniversary tributes: a major commemorative artwork has been commissioned to visually transmit the wonderful history and influence of the organization over its 100 years, as well as its critical role going forward.

Please contact NFTC Vice President for Strategy and Growth James Wilkinson at jwilkinson@nftc.org for more details and for ways you can chip in and join the fun!

NFTC Foundation's World Trade Dinner October 9th at the OAS

Celebrate the global economy at the nation's most prestigious trade dinner, the NFTC Foundation's World Trade Dinner – now in our 99th year!

Your table sponsorship allows our Foundation to support the great work of the NFTC year-round in educating key audiences on international trade, taxation and global HR issues, as we work to promote policies that ensure the success of America in the global marketplace.

This year we expect around 350 guests, ranging from senior U.S. Government officials and diplomats to C-level executives of critical global industries. Past keynote speakers and honorees have included, White House Chief of Staff Bill Daley, House Ways and Means Chairman Dave Camp, USTR Susan Schwab, Commerce Secretary Gutierrez, House Majority Leader Steny Hoyer, Secretary General of the United Nations Kofi Annan, UN Ambassador John Negroponte and Chairman and CEO of Caterpillar Jim Owens, among many others. It is always a great event and a highlight of the social and political calendar.

Our venue is the stunning and ornate OAS building again this year. The date is Wednesday, October 9, at 6:30 p.m. for cocktails and 7:30 p.m. for dinner. Black tie optional and valet parking is available.

Contact NFTC Vice President James Wilkinson at jwilkinson@nftc.org for table packages and complete details. Individual seats available at:
http://www.nftc.org/calendar/calendar.asp?Mode=CalendarViewDetails&ID=675&Month=10&Year=2013

NFTC Joins Other Leading Business Organizations in Opposing U.S. Tobacco Proposal in TPP Negotiatio

In August the NFTC joined with 15 other business organizations in sending a letter to U.S. Trade Representative Michael Froman opposing the recently announced U.S. tobacco proposal in Trans-Pacific Partnership (TPP) negotiations.

The groups wrote:

"We welcome your commitment, through the Trans-Pacific Partnership (TPP), to advance a 21st century trade and investment framework that will boost competitiveness and support the creation and retention of U.S. jobs.

"For that reason, we were very troubled to learn just days ago that the United States intends to propose text in the TPP negotiations that would include a product-specific reference under the application of Article XX(b) of the General Agreement on Tariffs and Trade. We write to express our strong opposition to the last-minute inclusion of a product-specific reference to tobacco or any other product and to related additional language pertaining to dispute settlement.

"We believe this text will undercut longstanding U.S. insistence that regulatory measures be based on evidence, including sound science, and encourage other countries to propose additional product-specific references. Given these serious concerns and the broad potential impact of a product-specific reference on U.S. trade policy, the TPP and the larger trading system, we urge the Administration not to table this proposal in Brunei."

To read the full letter, visit: http://www.nftc.org/default/Publications/Trade_Policy/TPP Letter 082213.pdf.

NFTC Fall Tax Committee Meeting
October 30-31, 2013

At the
Microsoft Innovation and Policy Center
901 K Street NW
Washington, DC

Be "in the know"
Detailed Roundtable Discussions with key Congressional,
Treasury and IRS Officials
will be featured at the Fall Conference
Early Bird Registration Now Open at
http://www.nftc.org/calendar/calendar.asp?Mode=CalendarViewDetails&ID=669&Month=10&Year=2013

The NFTC Tax Committee Fall Meeting will begin with panel discussions followed by a reception and dinner on Wednesday, October 30, and will continue with panels and will conclude by lunch on Thursday, October 31st. (Please Note that the this meeting was originally on the Calendar for October 3-4).

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

This issue of Council Highlights brought to you by:

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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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