COUNCIL HIGHLIGHTS

NATIONAL FOREIGN TRADE COUNCIL

"SERVING AMERICA'S GLOBAL BUSINESSES SINCE 1914"

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

Jobs, Technology and Trade Agreements

By Alan Wm. Wolff, NFTC Chairman

There is a widely held concern in America and abroad over a shortfall in the number and quality of jobs now and in the years ahead. Globalization and the deployment of new technologies challenge each economy. Opponents of trade agreements see in them a source of additional stress, if not outright harm. Two American Nobel Laureate economists see the current negotiation of new trade agreements as a mistake. They are wrong.

First: Innovation causes more economic turmoil than trade ever could. Increases in productivity and other fruits of technology cause individuals, companies, communities and whole industries to become obsolete unless they change to meet new circumstances. Yet innovation is also the engine of economic growth. Harvard's Dale Jorgenson has calculated that the application of information technology adds half of 1 percent to U.S. GDP per year. The World Bank puts this figure at 2 to 3 percent per annum for developing countries. The revolution in biotechnology is in its infancy, and its benefits to human health and well-being are literally incalculable.

Second: Closing the American market is not an option. Assume for a moment that the openness of the U.S. economy was a net negative. That logic would seem to dictate that closing the borders to trade – were that even possible given global interdependence today – would have positive effects on employment in terms of numbers for workers and wages. It is a policy that was put into effect once before – in 1930. The result was the deepening and lengthening of the Great Depression. Employment and wages plummeted. No one in Congress or American academia appears now to be suggesting adoption by our government of a policy of economic isolation.

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A Word From the President

By Bill Reinsch, NFTC President

Normally, I'm a big fan of irony. Having spent 20 years on the Hill and nearly eight in the Executive Branch, I've run into a lot and have generally found something to chuckle about each time I've been confronted with one. Currently, however, we are experiencing three ironies which have their amusing aspects but nonetheless threaten our efforts to enact Trade Promotion Authority (TPA) and, ultimately, to secure approval for the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) agreements that are being negotiated.

The first is about process. Opponents of the legislation and the putative agreements have made much of transparency – the negotiations are secret, the texts are secret, no one knows what is in them, etc. There are good reasons for that, which Members of Congress should understand in light of their own experience negotiating bills behind closed doors, but the irony is that the very secrecy the opponents decry has not stopped them from criticizing the contents of the agreements or making dire predictions about what will happen if they are concluded. In short, they're saying, "The agreements are secret; we don't know what's in them, but we're against them because of what's in them." This is a clever tactic because it embodies two criticisms at the same time – lack of transparency and objectionable provisions – and it puts proponents in an awkward position, either because they don't know what is in the texts and therefore cannot defend them or because they do know but are constrained from using the information in a public debate.

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News for Our Members

A Word From the President

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Another interesting irony, or perhaps it is better labeled hypocrisy, is that this criticism comes in significant part from organized labor, which seems to have no compunctions about conducting labor negotiations in private. Likewise, organized labor, which also complains that the "fast track" process is unfair because it precludes amendments, has yet to decide it will allow its members to vote on amendments to labor agreements instead of requiring a single up or down vote.

Finally, the most recent development is, unfortunately, a partisan one. Republicans have for at least four years called on the President to show leadership on trade, to pursue new agreements, to seek new trade promotion authority, and to rally his party behind those efforts. On other occasions, I have pointed out that this is a self-serving argument, since the Republicans know very well that trade is a divisive issue among Democrats and that what they have asked the President to do will only increase that division, but now we are in a different situation. The President has done what the Republicans have asked him to do. He is committed to enactment of TPA and approval of the agreements once they are concluded, has mobilized the Administration's machinery behind that and has reached out to congressional Democrats to seek their support. The irony is that now that he has done what they have asked, some Republicans are saying, "Well, we can't support this because the President wants it. We can't give him a victory." It is always distressing to see people not being able to take "yes" for an answer.

The truth is that it will be a victory for the country – for jobs and growth – and members of both parties should take credit for it. And I have no doubt that once it is done, they will.

"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.

TPA: Power to the People

By Bill Reinsch, NFTC President, breinsch@nftc.org

Last week, I debated the merits of Congress enacting Trade Promotion Authority (TPA) legislation, and, by implication, the merits of the yet-to-be-concluded Trans-Pacific Partnership (TPP) agreement. What was unexpected was the direction the debate took. My "opponent," who opposes both TPA and TPP, said, in essence, this debate is not about trade; it's about power. TPA will take power away from the people and the Congress and give it to the President. TPP will take power away from the people and give it to large multinational corporations.

Thinking about it afterwards, it occurred to me that this is an extraordinarily revealing statement that deserves closer analysis.

First, it is an acknowledgement that once again trade policy has become a surrogate for other issues. This is not new. U.S. trade policy is regularly blamed for most of the ills plaguing the world today – unemployment, jobs moving offshore, stagnant wages, growing inequality, environmental degradation, child labor, unsafe food, and on and on. Economists of every persuasion will admit this is largely not true. While trade plays a role, the far larger share of blame for these bad things belongs to the governments that pursue bad domestic policies. It is, of course, always easier to blame the foreigners for one's problems than it is to blame oneself, but the opprobrium is misplaced. In the United States, we would be far better off if we examined whether our economic policy is focused on job creation; how technology affects productivity and job creation; whether our schools prepare our kids for the competitive world they will face when they graduate; whether we are promoting innovation and creativity in the laboratory and in the marketplace so we can continue to create new high-paying jobs; whether we are grappling with our own environmental challenges; and whether our anti-poverty programs are designed to help people pull themselves out of poverty or simply to sustain them in it.

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View from the NFTC Chair— *Jobs, Technology and Trade Agreements*

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Third: Critics of trade agreements do not seem to take in what the new agreements under negotiation are really, very much about – better rules. Yes, there will be commitments for market access to goods and services which can mean a lot to our country and the other participants, but tariffs on goods are mostly low among those negotiating the Trans-Pacific Partnership (TPP) agreement. The texts of that agreement and the Transatlantic Trade and Investment Partnership are mainly about rules of the road – such as making sure that data that now flows freely across borders continues to do so, that domestic regulations do not conflict with each other thus impeding trade, and that state-owned enterprises, when they compete with private companies, act in accordance with commercial considerations. The test to apply to the new agreements is the one the United Automobile Workers applies in supporting KORUS (the U.S.-Korea Free Trade Agreement): Is the country better off with the agreement or without it?

Fourth: The new agreements should reduce income inequality. We have a very strong tradition in this country of our leaders trying to consider the impact of import restrictions on the American people. Presidents Lincoln, Wilson, Taft, FDR, Kennedy and Bush (41) were all proponents of low tariffs. The incidence of U.S. trade protection – on clothing, footwear, dairy and sugar – falls disproportionately on those with low incomes. That alone is reason enough to consider change.

One of the prime characteristics of human society is that its organizing principle is most often competition. This is true within the U.S. economy, as it is between nations. Those who innovate will be better off than those who don't. Those that are able to sell in global markets will be better off than those who are not (and it must be recognized that most of the growth in demand is outside the United States). The central question for those that care about America's place in the world economy is how good the rules are going to be under which trade will take place. America and its trading partners will thrive if the world trading system is open and rules-based. This requires passage of Trade Promotion Authority and successful conclusion of the many vital trade agreements now being negotiated.

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.

NFTC Chairman Comments on TPP Negotiations in Forbes

On May 6, Ambassador Alan Wolff, Chairman of the National Foreign Trade Council (NFTC), penned a piece in *Forbes* discussing the TPP negotiations as a unique opportunity to address a variety of topics, including intellectual property rights.

Excerpt: "The TPP has the potential to drive economic growth across the region and to set the standard for the world trading system for years to come. The agreement is 'open-ended,' meaning other countries can join, and several have expressed interest in doing so. Designed to be a truly '21st Century Agreement,' the TPP is poised to tackle not only traditional trade issues, such as reducing or removing tariffs, but also many other topics vital for the modern global economy—from trade in services and cross-border data flows to standards for the conduct of state-owned enterprises."

For the full piece, visit: http://www.forbes.com/sites/realspin/2015/05/06/japan-and-the-us-have-to-get-intellectual-property-right-in-the-tpp/

TPA: Power to the People

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It is a fair point that trade policy may contribute to some of these problems, but it is never the root cause. Trade opponents are essentially saying, “Things are bad and getting worse, but if you vote against trade agreements, they’ll get worse more slowly.” A much better approach would be to take the steps that will actually address the problems rather than just slowing them down.

Second, we should spend a few minutes thinking about who “the people” are in the discussion of TPA. We live in a representative democracy. We elect people to make decisions for us; we don’t make them ourselves. One could make an argument for direct democracy, I suppose, where everybody gets to vote on everything, but that’s not the path our Founding Fathers chose, and it’s not one we’re likely to take anytime soon. So, with respect to TPA, “the people” are the Congress.

Does TPA take power away from the Congress? Not in the least. In fact, it’s the reverse. TPA consists of two parts. The first contains Congress’ instructions to the President. That is, by definition, empowering. It is Congress telling the President what to do. The second part establishes procedures for considering trade agreements. The controversy stems from the time limits on consideration of the bill and on the no amendments rule. These procedures were created 40 years ago by Congress itself to ensure there was a path to getting a vote on a trade agreement that would not be disassembled by amendment along the way. Amending a trade agreement is like pulling on the loose thread in a sweater. One thing leads to another, and in short order there would be nothing left as the other countries insist on being compensated for whatever changes we make.

As far as timing is concerned, debate has focused on what happens after the agreement is formally submitted. Remember, though, that the clock doesn’t start ticking until that moment. Before that, there is no time limit, and there will be months when the agreement is simply out there for debate and inspection while the various committees charged with reviewing it prepare their reports. These agreements have never been rammed through Congress, and TPP won’t be either.

Third, there is the question of who “the people” are when it comes to a trade agreement. My debate opponent argued that trade agreements benefit large multinational corporations and leave the little guys in the dust. In fact, the opposite is true. Trade agreements are empowering for workers because they create new opportunities, which means new jobs, and they are empowering for small companies in particular because they open up new opportunities, particularly via the Internet, that were not available before.

Finally, this debate exposed yet another irony of the larger debate. (If you read my blogs, you might recall I focused the last one on two other ironies.) That is the willingness of so many groups to speak for “the people.” As someone whose job it is to represent large companies, I’m happy to acknowledge that I don’t speak for the worker or the small entrepreneur. But those on the other side of the debate should come clean as well. Organized labor speaks for a shrinking minority of American workers, and civil society groups speak for themselves and the activists who support them. “The people” have been long forgotten in the clash of lobbyists. However, if you want to know what they actually think, there’s a clue – check out the Pew Research Center’s most recent poll data which show strong support for trade, ironically more among Democrats than Republicans.

What Are the Facts About ISDS?

By J. Dan O'Flaherty, Vice President, doflaherty@nftc.org

The claims of opponents of Investor-State Dispute Resolution provisions in trade agreements have reached fever pitch – here in the United States and especially in Europe. Global Trade Watch argues that investor-state dispute settlement (ISDS) "grants extraordinary new rights and privileges to foreign corporations that override the sovereign right of nations to regulate and to govern their own affairs." The argument of ISDS critics is based on the presumed use of this mechanism to undermine national sovereignty and federalism by superseding local courts through claims brought in international arbitral bodies. In particular, critics see ISDS as a threat to maintaining high environmental, labor and health standards.

ISDS critics' claims are hyperbolic. They would have us believe that multinational corporations are evading and systematically undermining domestic laws and regulations with a flood of claims brought to international arbitration. Facts are important here. Let's look at a simple metric – the number of cases brought by U.S. companies and their outcomes.

The United Nations Conference on Trade and Development compiles a very useful database of ISDS cases and their disposition. In the past 10 years, U.S. corporations have been plaintiffs in 50 ISDS cases. Twelve of these cases were brought against Canadian companies. For example, three of these cases involved the Canadian pharmaceutical company, Apotex, Inc., which had been issued a warning letter by the Food and Drug Administration (FDA) for violating good marketing practice. The FDA ultimately banned imports of Apotex products and a case was brought under the North American Free Trade Agreement, which Apotex lost.

In all, U.S. companies lost 11 of the 50 cases they brought, including cases against the Democratic Republic of Congo, Ecuador, Grenada, El Salvador, Ukraine, Armenia and Kazakhstan, hardly a record of triumphant U.S. multinationals eviscerating domestic policies of developing countries. U.S. companies won six cases against Kyrgyzstan, Ecuador, Guatemala and Ukraine. Two of the fifty cases were dropped and seven were settled.

But how about the frequency of U.S. ISDS cases? In 2014, U.S. companies filed only four cases. In 2013, there were three; in 2012, there were two; and in 2011, there were five, three of which were against Canada. The largest number of cases filed in the past decade was in 2010 when eight cases were brought.

This is hardly a record of successful ravishing of the sovereignty of other nations by U.S. multinationals. In fact, it reflects a very limited use of ISDS on the part of U.S. companies, the vast majority of whose claims are in fact settled in domestic courts or are settled out of court or outside arbitral tribunals.

This does not mean that the ISDS process cannot be improved. There is no shortage of reform proposals. For example, an appellate facility could be established so that arbitration panels don't have the last word. Some have suggested creating a standing international investment court and promoting alternative dispute resolution mechanisms. But the fact that companies from many countries, including China and developing countries, bring cases under ISDS argues for reform rather than abolition. Above all, hyperventilating critics should not be allowed to dominate the debate.

CUBA: Wipe the Slate Clean

*By Richard Sawaya, Vice President, USA*Engage, rsawaya@nftc.org*

Michael Levi at the Council of Foreign Relations has written that one of the take aways from the framework agreement reached with Iran is that real multilateral sanctions work in the global economy and are here to stay. Jessica Tuchman Matthews, however, writes, "the lesson of sanctions – from Cuba to Russia and beyond – is that they can impose a cost on wrongdoing, but if the sanctioned country chooses to pay the price, sanctions cannot prevent it from continuing the sanctioned activities."

A successful endgame with Iran may further enshrine multilateral sanctions in U.S. policymaking. The case of Russia, by all empirical evidence to date, would argue for due skepticism. It may be that because the Russian regime is more concentrated, it is more removed from the calculus of sanctions than its Iranian counterpart.

Cuba is a different case, in any case. The U.S. embargo is unilateral. The established *sine qua non* – in order to have any chance of being effective, sanctions must be multilateral – is the most obvious argument for repealing all statutes on the books that mandate the embargo. The economic immiseration of the Cuban people is not due to sanctions pressure. Arguably, the embargo has served to shield the Castro regime from the liberating effects of exposure to U.S. commerce and culture.

Those who defend the embargo and decry the Administration's decision to engage the Cuban regime and seek normalization of relations between the two countries argue: (a) why engage with a regime that stifles political liberty and economic freedom, and (b) precisely because the regime controls the economy, why swell its coffers?

The U.S. has normal trade relations with China and Vietnam, two sovereign states governed by authoritarian regimes in which issues of basic human rights persist. There is no reason a different standard should be applied to an island nation of 11 million persons 90 miles from the U.S. mainland with enormous demographic ties to us.

In fact, the major reason to end the embargo lies with the Cuban people, as evidenced in the poll conducted in Cuba as reported in the April 8, *Washington Post* article *"Poll shows vast majority of Cubans welcome closer ties with U.S."* In addition to matching U.S. opinion polls showing majority support for normalizing U.S. relations with Cuba, the poll shows Cubans want a political economy best summarized as social democracy. They revere equality of opportunity by means of effective, government-provided health care and education for all, and they hunger for individual liberty and economic well-being.

In sum, those who support sanctions as a tool of U.S. policy are hard put by the sanctions record or present facts to defend the remaining U.S. trade embargo with Cuba.

The NFTC has joined the agricultural coalition to seek normal trade relations with Cuba. Working with other trade associations, we will coordinate company advocacy to support normal trade relations across all sectors. We are also scheduling a trip to Cuba for interested company representatives under the general license provided by the U.S. Department of Treasury for "professional meetings."

While political obstacles remain to ending the embargo, U.S. and Cuban public opinion is clear: Wipe the slate clean.

OECD—Global Tax Standard Setter?

By Catherine Schultz, Vice President for Tax Policy, cschultz@nftc.org

In an interview with Jeffrey Owens, the former head of the Center for Tax Policy and Administration at the Organisation for Economic Co-operation and Development (OECD), Pascal Saint-Amans, the current head of tax for the OECD, said that at his first bureau meeting upon joining the OECD he asked the members what their main concerns were. They replied that they were concerned with base erosion and also with profit shifting[1] (BEPS). Mr. Saint-Amans then added that he decided to launch a project on base erosion at the OECD and that "we managed to put it in the G-20." Ever since the G-20 agreed to back the OECD project, it has been on a fast track. This is a slightly different version of the story than Mr. Saint-Amans usually tells, where it was the G-20, then led by British Prime Minister David Cameron, that raised the concerns about base erosion and profit shifting and then tasked the OECD with coming up with some solutions.

The OECD did not only take the lead role on the BEPS project, it made sure to expand it to include the G-20 countries, as well as the developing countries who are neither part of the OECD, nor the G-20. The developing countries are part of the UN Tax Committee, which is sometimes seen as a long-term threat to the much smaller OECD. There are 34 countries who are members of the OECD and 180 countries who are members of the UN, with the most powerful among them (India, China, Brazil) being members of the UN Tax Committee of Experts. The BEPS project has elevated the OECD to the main player in the international tax arena. The UN, for now, has taken a back seat.

The OECD has also launched Global Forums on Tax Transparency, VAT and Transfer Pricing. At each of these Global Forums, which are widely attended by at least 180 countries, the OECD works to try to set global standards and understandings of tax administration and compliance. The Global Forum on Tax Transparency has set up peer reviews of the tax treaty and information exchange agreements entered into by countries. If a country does not have at least 13 Tax Information Exchange Agreements (TIEAS) or bilateral tax treaties, they could end up on the gray list of non-compliant countries. This Global Forum has changed country activity and has resulted in more tax treaties and TIEAS being entered into. The Global Forum on VAT helps governments who are establishing VAT systems and also helps governments with established systems fight fraud and standardize tax collection parameters. The newly launched Global Forum on Transfer Pricing helps governments with understanding the arms-length system, pricing concerns and how the mutual agreement process works most effectively. By launching these global outreach agendas, the OECD is working to be the main standard-setting body for international tax issues.

As the BEPS project moves to a conclusion, what are the next steps for both the OECD and the UN? The OECD will continue to work on efforts to draft a multilateral convention to implement many of the BEPS actions that would require treaty renegotiations. It will also monitor country activity and how effectively the BEPS deliverables are working, in practice, to stem base erosion and profit shifting. Country-by-country reporting will begin in 2016, and there will be further monitoring of its effectiveness. If developing countries do not believe that they are receiving more financial and tax information to help ascertain the amount of activities of multinational corporations within their borders, they might then turn to the UN to help them implement more effective rules. The UN is scheduled to revise their transfer pricing guidelines by 2017 and may include many of the issues currently being discussed as part of the BEPS project—taxation of intangibles, the use of comparables and how to apply profit splits.

The OECD is the top international tax organization currently; how the implementation of BEPS is seen by tax authorities could determine its place in the future of global tax negotiations.

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[1] Tax Notes International, March 2, 2015, p. 797, article" *Conversations: Jeffrey Owens and Pascal Saint-Amans*"

14th Annual International Human Resource Management Forum - Houston

By Bill Sheridan, Vice President of International Human Resource Services, wsheridan@nftc.org

The NFTC Foundation hosted its 14th Annual International Human Resource Management Forum "Managing Global Enterprise Challenges in Volatile and Risky Times" in Houston on March 25-26, 2015, with its highest turnout to date.

In addition to subject matter experts from Aon Hewitt, Atlas Assignment Manager, Deloitte Tax LLP, Fragomen Worldwide, the NFTC, Net Expat, The World Trade Resource and Zurich Insurance, the faculty included senior international business and human resource professionals from Activa International Insurance (Ghana), AIA (Hong Kong), Anadarko, Baker Hughes, Bristol-Myers Squibb, ConocoPhillips, ExxonMobil, FMC Technologies, Freeport LNG, GE, GE Oil & Gas, Intel, Mary Kay International, Microsoft, Repsol and Schlumberger.

The focus of the conference was managing the array of risk issues facing global enterprises today, especially in emerging markets in Africa, Latin America and South East Asia. The agenda included sessions on:

- Enterprise Risk in 2015 and 2016
- Data Mining to Improve Talent Utilization and Retention
- Business Travelers: Tracking and Proactively Managing Tax Liabilities
- Managing Risks in the Areas of Health & Safety, Immigration, Tax Compliance and Corruption
- Africa: Managing Health Risks
- Report on Global Rotator Survey
- Developing Leaders for the Global Enterprise
- Mexico: Trends in Benefit and Compensation Management
- Business Aligned Mobility
- New Market Entry: "Know Before You Go"
- "Ask the Expert" Discussion Groups

For information, contact Bill Sheridan, Vice President of International Human Resource Services, at wsheridan@nftc.org.

Expatriate Management Committee Spring 2015 Meeting NYC

By Bill Sheridan, Vice President of International Human Resource Services, wsheridan@nftc.org

The NFTC held its Spring Expatriate Management Committee (EMC) meeting in New York, NY, hosted by AIG. Forty companies were represented at the meeting.

The EMC was formed over 35 years ago. It is comprised of the Global Mobility Directors of 45 U.S. and non-U.S. multinational corporations that are members of the NFTC. The focus of the committee is on all aspects of global talent mobility. The agenda included:

- Immigration Compliance Updates
- Global Mobility Programs at AIG and Nike
- Expatriate Allowances and Incentives for Rotator Staff in the Energy Sector
- Report of Structures of Global Mobility Departments
- Partner/Spousal Support Trends-Beyond Financial Stipends-Corporate Case Study
- Benchmarking and Data Analytics: Improving Mobility Program Effectiveness
- Preparing Assignees for "Frontier" or New Markets
- Repatriation Management

NFTC Foundation Sets 20th NYC IHR Forum—June 17-18, 2015

By Bill Sheridan, Vice President of International Human Resource Services, wsheridan@nftc.org

The NFTC Foundation will host its 20th Annual International Human Resource Management Conference in New York, NY, on June 17-18, 2015.

The faculty will include senior international business and human resource colleagues from American Express Company, AIG, BNP Paribas, Boeing Corporation, CA Technologies, Citi, the Foreign Service Institute of the State Department and Linde Corporation as well as subject matter experts from Aon Hewitt, Berry Appleman & Leiden, Brookfield Global Relocation Services, Net Expat, PwC and United Healthcare Global.

The conference will include sessions on:

- Enterprise Challenges in Turbulent Economic Times: What to Expect in 2015 and 2016
- Women Expatriates: Selection, Reception and Retention
- The 2016 Olympics in Brazil: Is Your Company Prepared for any Emergency?
- The Dollar Continues to Strengthen! That's the Good News: What Are Any Negative Impacts?
- Frontier Markets Call: Is Your Workforce Ready?
- Managing Employer-Sponsored Retirement Plans in Deflationary Times
- Does Your Mobility Program Support and Maximize Strategic Business Objectives?
- Talent Sourcing, Development and Retention: Best Practices Discussions
- What's Trending in Global Mobility?
- Some Country Economies Are Down but Compliance Requirements (and Costs) Are Up!
- Topic-Specific "Ask The Expert" Discussion Tables

The detailed agenda will be posted soon to www.nftc.org. See the Calendar of Events for June 17-18, 2015. Registration is open!

For information on registration, you can also contact Sandra Rodriguez at srodirguez@nftc.org or visit: http://www.nftc.org/calendar/calendar.asp?Mode=CalendarViewDetails&ID=687&Month=6&Year=2015.

Calendar of Events — Save the Dates!

- May 15, 2015 - 2nd Annual NFTC London Trade and Investment Forum - London, UK
- June 5, 2015 - NFTC Board of Director Meeting - New York, NY
- June 16, 2015 - NFTC Tax Lunch Forum - Speaker: TBA - Washington, DC
- June 17-18, 2015 - Annual International Human Resource Management Conference - New York, NY
- July 8, 2015 - NFTC Tax Lunch Forum - Speaker: TBA - Washington, DC
- September 21-23, 2015 - Expatriate Management Committee Meeting - Phoenix, AZ *(By Invitation)*
- October 7, 2015 - World Trade Dinner and Award Ceremony - Washington, DC
- October 20, 2015 - International Benefits Committee Meeting - New York, NY *(By Invitation)*
- October 22-23, 2015 - NFTC Fall Tax Meeting - Washington, DC
- November 4, 2015 - NFTC Tax Lunch Forum - Speaker: TBA - Washington, DC
- December 9, 2015 - NFTC Tax Lunch Forum - Speaker: TBA - Washington, DC

News for Our Members

Marketing and Business Development

By James Wilkinson , Vice President for Strategy and Growth, jwilkinson@nftc.org

The winter NFTC Board of Directors meeting was held at PricewaterhouseCoopers new DC offices, with Board member Ed McClellan hosting. Our guest speaker was Acting Deputy U.S. Trade Representative (USTR) Wendy Cutler, who spoke to the Board about the latest round of the Trans-Pacific Partnership (TPP) negotiations in Hawaii the previous week. She also gave brief status updates on the various talks ongoing at the World Trade Organization, including the Information Technology Agreement negotiations. Her formal remarks were followed by a short question and answer session. The evening prior to the meeting, the Board enjoyed dinner at the new Sultan Qaboos Omani Cultural Center, with Her Excellency Ambassador Hunaina Al-Mughairy hosting. The next Board meeting will be June 5 in New York City at India House in Hanover Square.

The spring has been a busy one for the NFTC. The Council hosted a delegation of the Vietnamese Chamber of Commerce and Industry at the Microsoft Innovation and Policy Center on April 13. NFTC Vice President for Strategy and Growth James Wilkinson spoke to the delegation about the Council's ambitions for the TPP talks and what sectors of the Vietnamese economy might see the most benefit if a deal is finalized. NFTC member Ken Roberts of Mondelez spoke about the agricultural chapter of the TPP and his company's plans for expansion in the Vietnam market. Dorothy Dwoskin of Microsoft hosted the event and gave an in-depth presentation on cybersecurity and intellectual property protection in the context of the TPP and as a risk-mitigation strategy for any business with substantial data stored in the cloud.

On April 16, the NFTC co-sponsored a full day TPP conference at the United States Institute of Peace, in conjunction with Bloomberg Media and the United States Council for International Business. NFTC's Vice President for Regional Trade Initiatives Chuck Dittrich moderated a panel addressing critical issues of the TPP, featuring speakers from the AFL-CIO, American Farm Bureau Federation, Information Technology Industry and a former trade staffer for House Minority Leader Nancy Pelosi. Other featured speakers included USTR Ambassador Mike Froman, Undersecretary of State Cathy Novelli, and Representatives Sandy Levin and Pat Tiberi.

2nd Annual NFTC London Trade and Investment Forum

By James Wilkinson , Vice President for Strategy and Growth , jwilkinson@nftc.org

On May 15, the NFTC will host its 2nd Annual London Trade and Investment Forum, titled "Mega-Regional Trade Agreements: What do they mean to the future of global trade?," at the London offices of Baker McKenzie LTD.

The discussion will look at whether regional trade agreements are a threat to the World Trade Organization (WTO) and the multilateral system, as well as the role and challenges of new preferential agreements – the Trans-Pacific Partnership (TPP), the Transatlantic Trade and Investment Partnership (TTIP) and the Tripartite Free Trade Agreement.

Keynote Speaker: Sir Simon Fraser, Permanent Under Secretary and Head of the Diplomatic Service, Foreign and Commercial Office, Her Majesty's Royal Government

Session 1: Are Regional Trade Agreements a Threat to the WTO and the Multilateral System? Our first panel will offer perspectives from a variety of nations examining their motives behind pursuit of regional/ plurilateral trade agreements, and how they view the current multilateral global trading system and its centerpiece, the WTO.

Panelists:

- Amb. Jonathan Fried, Canadian Ambassador to the WTO (Moderator)
- Amb. Hamish McCormick, Australian Ambassador to the WTO
- Dr. Simon Evenett, International Trade and Economics Professor, University of St. Gallen
- Amb. Inga Ernstsone, Latvian Ambassador to the WTO

Session 2: The New Preferential Agreements (TPP, TTIP, and the Tripartite FTA): Novel Elements, Novel Challenges. Our final panel will examine specific issues surrounding two mega-regional negotiations – the TTIP and TPP negotiations – and the forthcoming African negotiations.

Panelists:

- Dr. Carlos Braga, Professor , International Political Economy; and Director, Evian Group at the IMD (Moderator)
- Amb. Jean-Paul Thuillier, French Ambassador to the WTO
- Amb. Modest Mero, Tanzanian Ambassador to the United Nations,
- Alejandro Jara, Counsel, King and Spalding; former Deputy DG of the WTO
- Rain Newton-Smith, Director of Economics, Confederation of British Industry

For complete details and to RSVP, visit: http://www.nftc.org/calendar/calendar.asp?Mode=CalendarViewDetails&ID=774&Month=5&Year=2015.

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NATIONAL FOREIGN TRADE COUNCIL

"SERVING AMERICA'S GLOBAL BUSINESSES SINCE 1914"

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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