

Council Highlights

Oct/Nov 2004

NATIONAL FOREIGN TRADE COUNCIL



A Word from the President

The NFTC has just issued its Congressional scorecard for the 108th Congress, an event that reminded me - once again - what an enormous headache it can be. USA*Engage and the NFTC have since the mid-90s issued a scorecard rating House and Senate members on their trade and sanctions votes. Details of the most recent scorecard appear elsewhere in this issue.

As usual, the overall results contain some good news for the Council - support for free trade continues to grow and the number of votes on sanctions continues to decline, although when a vote occurs, as in the case of Syria and Burma, the pro-sanctions position often wins big. Unfortunately, the good news always seems to bring with it a number of complaints. Inevitably, we hear from Members' staffs arguing that their boss actually deserved to do better than his or her votes reflect. The one argument that resonates in this regard is the case of someone who worked hard and successfully in committee to moderate a sanctions bill and then voted for the revised version on the floor. Our ratings count the latter as a "wrong" vote, but we have no way of counting the former, although we do try to find ways to acknowledge that good work.

The new complaint this year, however, both surprised and amused me. It grew out of the fact that we put Senator John Kerry on our honor role because his "grades" over the years had consistently been "A" or "B". While one might think

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Chairman's Note

I want to make sure you are all aware of the National Foreign Trade Council's upcoming annual gala dinner on December 10 in New York City. This event continues an historic tradition that goes back to our founding ninety years ago at the first National Foreign Trade Convention. In the pre-computer, pre-networked world, the convention was an opportunity for executives of companies that exported, shipped, or otherwise operated overseas to get together, exchange experiences and views, and hear the latest on world developments. In today's world of instant communication and widespread networking, the need for a full day or two of activities has passed, but the opportunity to get together with friends, colleagues, and even competitors remains one of the highlights of the NFTC's year.

This year we are extremely fortunate to have as our guest speaker Kofi Annan, Secretary General of the United Nations. In addition, we will once again give out our Champion of Trade Award, renewing an NFTC tradition that began in the 1930s, was interrupted in 1986 and resumed several years ago. We will also,

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TOP COUNCIL NEWS

NFTC Launched New Middle-East Free Trade Agreement Coalition

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NFTC Tax Committee Releases Phase One of Tax Treaty Project

"The NFTC has a legacy of leadership in the tax treaty area, working closely with business and coordinating with the U.S. Treasury..."

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USA*Engage and the NFTC Release Vote Scorecard for the 108th Congress

"On September 24, USA*Engage and the NFTC issued their "report card" for the 108th Congress, which grades each Member of Congress on his or her cumulative voting record on key issues affecting international trade, unilateral sanctions, and global engagement..."

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International Trade and Finance

Bahrain FTA is Signed, Coalition Accelerates Hill Lobbying

The NFTC is co-secretariat of the U.S.-Bahrain Coalition. On September 14, the U.S.-Bahrain Free Trade Agreement was signed at a White House ceremony by U.S. Trade Representative Robert Zoellick and Bahrain's Minister of Finance and National Economy, Abdulla Hassan Saif. Upon taking effect, the FTA will provide immediate duty-free access to 100% of bilateral trade in non-textiles industrial goods, 100% of Bahrain's agricultural exports, 98% of U.S. agricultural exports, and includes an innovative annex on financial services. Since the agreement was signed, the FTA Coalition has visited over 70 Congressional offices to promote swift passage of the agreement in the limited time left on the Congressional calendar. Meanwhile, the U.S. International Trade Commission has issued its required report on the likely effects of the agreement on the U.S. economy, finding that "this trade liberalization is likely to increase the competitiveness of U.S. manufacturers and farmers in the Bahraini market" and that specific obligations in the FTA likely to benefit the U.S. economy are in areas such as rules of origin, trade in services, trade facilitation, and the regulatory environment.

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as usual, have a number of other activities that make for a fun as well as interesting evening.

The dinner will be preceded by the NFTC's annual meeting of its membership, followed by a Board meeting. The main business item for the annual meeting is the election of Board members, and I hope that if you are planning to attend the dinner, you will also set aside time that same afternoon to attend the annual meeting. A notice of the meeting and proxy statement for those who cannot attend will be sent out in late October and will provide further details.

Finally, I would note that the dinner is the NFTC's signature event and its sole large fundraiser each year. I hope that all NFTC member companies will be able to support this event.

Doha Round Working Group Launches Two New Position Papers

As part of the ongoing NFTC special project on the Doha Round of multilateral trade talks, the NFTC Doha Round Working Group decided to commission two new position papers. The first paper will address the importance of improving tariff and regulatory transparency of WTO members by establishing improved horizontal disciplines in these areas as part of the non-agriculture market access (NAMA) negotiations. The other paper will focus on GATS Mode 4, namely the services negotiations on the temporary movement of business personnel. The Doha Agenda negotiations present an important opportunity to address both of these issues, which are of growing importance to the U.S. business community.

For further information regarding the special project or new position papers, please contact Mary Irace at 202/464-2024 or mirace@nftc.org.

Foreign Operations Appropriations Passes Senate with Funding Intact; Misguided Amendments Targeted for Removal in Conference

In late September, the Senate passed the FY05 Foreign Operations Bill with funding levels in line with the Administration's funding request. The Senate bill did not include a House amendment by Rep. Bernie Sanders (I-VT) prohibiting companies that have incorporated in Bermuda, Barbados, Cayman Islands, Antigua and Panama for tax purposes from using certain Ex-Im Bank products. This amendment passed the House by a broad margin, 270-132. The NFTC joined with the Coalition for Employment Through Exports and the National Association of Manufacturers to write in opposition to the amendment and worked to keep it out of the Senate version. We are now working to have the amendment defeated in Conference. The Senate bill did include an amendment by Senator Grassley to require an economic impact analysis of a recent transaction to export equipment to build an ethanol plant in Trinidad and Tobago. It also included language asking for reports and consultations on projects in Thailand that might be related to Burma, as well as reports on Bank financing of extractive industries.

The Sanders amendment would be counterproductive and potentially harmful to U.S. exporters and financial institutions. It would also set a bad precedent in opening the door to additional "offshore outsourcing" amendments limiting Ex-Im Bank programs to the detriment of American firms and workers whose jobs are tied directly or indirectly to U.S. exports that are supported by Ex-Im Bank.



International Trade and Finance

WTO Accessions and Doha Agenda Outlook Discussed during Meetings with Ambassador Tim Groser and Assistant U.S. Trade Representative Dorothy Dwoskin

The NFTC held two separate meetings recently with key trade officials on WTO related issues - the status of WTO accessions for Russia and Saudi Arabia and the overall outlook on the Doha Agenda negotiations. On the issue of WTO accessions, Assistant USTR Dorothy Dwoskin briefed trade committee members on the steps needed to conclude major accessions underway. As a general matter she noted that there will need to be an agreement on "working parties" that are established on each individual accession negotiation. Such agreements include an accession package encompassing a protocol on the terms of access and a market access package that combines all the market access agreements negotiated by individual WTO member governments on a bilateral basis with each accession candidate. Dwoskin also noted that there are several outstanding issues that Russia and Saudi Arabia will need to address for the accession negotiations to succeed, for example, sanitary and phytosanitary measures, services, and intellectual property rights.

In a separate meeting with Ambassador Tim Groser, New Zealand's WTO Ambassador and Chair of the Agriculture Negotiating Session of the Doha Agenda, NFTC members got a clearer view of the recent July framework package of agreements. The package contains a robust framework on agriculture that sets an ambitious set of objectives and that the industrial goods and services negotiations will need renewed momentum in order to achieve the same level of specificity and ambition.

NFTC International Trade and Finance Committee Approves New Trade Initiatives on WTO E-Grams, MEFTA Coalition, and China IPR

On September 13, the NFTC Trade Committee held a meeting with Angela Ellard, Staff Director of the Ways and Means Subcommittee on Trade, and held a separate discussion regarding new priority issues for the committee. With a new Congress and Administration next year, the Committee is already planning to address a very full trade legislative agenda. Ellard pointed out that front and center on next year's busy trade agenda will be congressional implementation of the recently concluded FTA's with Bahrain and Central America, as well as the FTA with the Dominican Republic. She also pointed out that the U.S.-CAFTA FTA, in particular, will require a very significant lobbying effort, not unlike the campaign to approve NAFTA. Other FTA's currently under negotiation, including those with Thailand, Panama, Colombia, SACU, and the Andean countries, may also be before Congress next year. Ellard also highlighted two other critical issues before Congress next year - the two-year extension of Trade Promotion Authority (TPA) and a five-year review of the WTO.

During the committee meeting, Brendan Harrington, Chairman of the Trade Committee, asked committee members to provide input on the list of 2004 priority issues and emphasized that the committee has begun its planning process for 2005. Three new initiatives were endorsed by the committee: 1) initiation of a series of one-page "WTO e-grams" to educate members of Congress on the important role and benefits of the WTO (the first e-gram was already jointly issued by NFTC and ECAT and is in a separate section of this edition of the Highlights); 2) the launch of a U.S.-Middle East Free Trade Coalition (see separate article on October 7 launch event); 3) NFTC participation in a multi-association effort to combat Chinese intellectual property rights violations; and 4) monitoring and gauging the level of seriousness of the recent EU paper on "collective preferences." Contact Mary Irace for more information at 202/464-2024, mirace@nftc.org.



International Trade and Finance



NFTC President Bill Reinsch welcomes participants to the launch of the U.S. - Middle East Free Trade Coalition

NFTC Plans to Prepare Export Finance White Paper for New Administration

The NFTC Export and Project Finance Working Group plans to develop a white paper on Ex-Im Bank for the new Congress and Administration. The paper will highlight the importance of the Bank to U.S. exporters and the financial community and will include a set of policy priorities. The NFTC issued a similar white paper to the Bush Administration four years ago. The effort this year will also be a joint effort with other leading business groups dedicated to supporting a strong and competitive export finance arm of the U.S. government.

NFTC Launches New Middle East Free Trade Agreement Coalition

On October 7 Ambassador Robert Zoellick, U.S. Trade Representative, addressed the kickoff luncheon of the Middle East Free Trade Coalition, which has been formed by the NFTC and the Business Council for International Understanding. At the event, Zoellick outlined the progress that has already been made through bilateral trade agreements in the region, and how a U.S. - Middle East Free Trade Area (MEFTA) will benefit the U.S. economy and enhance American relations in the Middle East.

"The United States extends a hand of partnership to those in the Middle East who desire freedom and who are willing to tear down the walls of poverty and protectionism that have isolated their region for too long," said Ambassador Zoellick. "Reversing the Middle East's economic fortunes through new trade partnerships will take time, but America is committed. The MEFTA is a step-by-step strategy for progress that will help nations build free, dynamic economies and raise standards of living, while at the same time creating significant benefits for the U.S. economy."

The U.S.-Middle East Free Trade Coalition has four primary objectives:

- 1) supporting the negotiation and conclusion of commercially meaningful free trade agreements between the United States and governments in the Middle East region;
- 2) providing unified and overarching U.S. business leadership and commitment to the MEFTA vision;
- 3) establishing an umbrella business group to oversee and focus on the key components of MEFTA through a range of educational, advocacy, outreach, and other activities; and
- 4) providing an efficient, broad-based business mechanism and to lead future bilateral FTA business coalition efforts with Middle Eastern countries.

The U.S.-Middle East Free Trade Coalition is being managed jointly by the National Foreign Trade Council (NFTC) and the Business Council for International Understanding (BCIU) and is guided by a Steering Committee of U.S. companies and associations including, the Association of Equipment Manufacturers, Boeing, Booz Allen Hamilton, ChevronTexaco, Dow Chemical, ExxonMobil, J. Ray McDermott, Motorola, PhRMA, and Washington Group International. For more information on joining the coalition or its steering committee, contact Mary Irace, mirace@nftc.org, or Chuck Dittrich, cdittrich@nftc.org.



Did you know in 1947 . . .

>> The World Trade Organization (WTO) had its origins in the General Agreement on Tariffs and Trade (GATT), which was the first major multilateral trade agreement among key trading nations to reduce harmful trade restrictions and establish predictable, market-oriented trade rules to generate economic growth and stability in the post-WWII era.

>> There were 23 founding members of the GATT; two-thirds of them were developing nations.

>> World trade was approximately \$50 billion.

	WTO Members	World Trade
1947	23	\$50 billion
2003	145	\$9.1 trillion

More than five decades later . . .

>> There are now 147 members of the WTO and more than 20 additional countries in the process of joining.

>> Due largely to the success of several GATT/WTO “rounds,” world trade has grown exponentially. In 2003, global trade in goods and services amounted to \$9.1 trillion.

>> WTO Members are in the midst of one of the most ambitious rounds of multilateral negotiations to reduce and eliminate barriers to goods, services and agriculture through the Doha Development Agenda, which was launched in November 2001. A successful conclusion to the Doha Agenda will open more markets for American goods, services and agriculture and support American jobs. Some estimates predict that the Doha Agenda would provide a net increase of \$2,500 for a typical American family of four and could lift 500 million people out of poverty.

How we got there . . .

>> Eight successful “rounds” of trade negotiations have been concluded since 1947. Each round has been more ambitious, has involved greater numbers of nations and has acted as a powerful stimulus to global trade and growth and poverty alleviation.

>> The last completed round – the Uruguay Round – addressed major new issues of critical importance to the U.S. economy, including agriculture, services, intellectual property rights, and binding dispute settlement.

GATT/WTO Rounds		
Year	Place/Name	Subjects
1947	Geneva	Tariffs
1949	Annecy	Tariffs
1951	Torquay	Tariffs
1956	Geneva	Tariffs
1960-61	Dillon Round	Tariffs
1964-67	Kennedy Round	Tariffs, rules (AD/CVD)
1973-79	Tokyo Round	Tariffs, non-tariff measures (NTMs), “framework” agreements
1986-94	Uruguay Round	Tariffs, NTMs, rules, services, agriculture, intellectual property, dispute settlement, WTO creation
2001-	Doha Agenda	Tariffs, NTMs, agriculture, services, trade facilitation, rules, dispute settlement

WTO & Doha Agenda: Opening Markets, Strengthening America

The National Foreign Trade Council (NFTC) and Emergency Committee for American Trade (ECAT) are broad-based business organizations and founding members of USTRade, an organization created to support the WTO. For further information, contact the NFTC at mirace@nftc.org or ECAT at lmenghetti@ecattrade.org.



NFTC 2004 Tax Committee Fall Meeting

The annual NFTC Fall tax committee meeting will be held in Washington, November 16-17 at the Four Seasons Hotel. The meeting will begin the afternoon of Tuesday, November 16th with a roll out of Part I of the NFTC Tax Treaty Project by Mary Bennett and Carol Dunahoo of Baker & McKenzie followed by a reception and dinner. The meeting will continue Wednesday morning, November 17th, following the traditional format of the NFTC's fall meeting.

Barbara Angus, International Tax Counsel, U.S. Treasury, has been invited to kick off the meeting with a tax treaty and Treasury update. A senior panel of legislative tax staff moderated by Nick Giordano of Washington Council Ernst & Young will discuss tax legislation and offer their forecast for the 109th Congress. This year, in addition to the legislative and Treasury update, there will also be an IRS update by Bob Green, Director, International, U.S. Competent Authority, Internal Revenue Service. Mr. Green was formerly NFTC Vice President for Tax Policy.

The meeting will conclude after lunch. Greg Jenner, Acting Assistant Secretary for Tax Policy, U.S. Treasury, is the invited keynote luncheon speaker. For more information, contact Judy Scarabello, Vice President for Tax Policy at jscarabello@nftc.org.

NFTC Tax Committee Releases Phase One of Tax Treaty Project

The NFTC has a legacy of leadership in the tax treaty area, working closely with business and coordinating with the U.S. Treasury. The NFTC Tax Committee initiated a tax treaty project earlier this year to examine and make recommendations on a number of significant issues regarding tax treaty policy. The project was undertaken in response to various recent developments in the tax treaty area, among them the heightened importance of tax treaties in the increasingly global economy; the rapid pace of developments in tax treaty policy; the significant changes to U.S. tax treaty provisions in recently signed tax agreement; the anticipation of a revised U.S. Model Tax Treaty; the increased interest of the U.S. Senate in considering tax treaties; and the Organization for International Cooperation and Development's (OECD) increased interest in tax treaty projects.

The project is being conducted on behalf of the NFTC by Mary Bennett and Carol Dunahoo, partners in Baker & McKenzie's Washington, DC office. Both served in the U.S. Treasury Department, Ms. Bennett as Deputy International Tax Counsel, and Ms. Dunahoo as Associate International Tax Counsel. Ms. Dunahoo was also Director, International, at the Internal Revenue Service.

The project has been divided into two parts and is expected to be completed in mid-2005. Part I of the project was further divided into two phases to address the OECD's request for

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that this would produce complaints from the Kerry camp - after all, calling him a free trader will hardly enhance his standing with many of his supporters - in fact, we heard from the other side - Republicans upset that we had given Kerry credit for anything and that we had ignored Bush (who, of course, is not a member of the legislative branch.)

Well, leaving aside the fact that we made clear in our press briefing that, based on Administration positions, Bush would have received an "A" had he been voting, we are still left with the tale of the tape, as it were. John Kerry is a senator; he voted; he got counted. He met the same standard as everybody else and received the same treatment. We also pointed out that Republicans have not been shy about picking out Kerry's votes over the years and commenting on them, so they should not be surprised when others do it too. Anyway, a tempest in a teapot in all likelihood.

But, for the record, the National Foreign Trade Council is not a partisan political organization. It does not make political contributions or endorse candidates. We do like to say nice things from time to time about politicians who agree with us, however, and we plan to keep on doing so - for both parties.



Senate Foreign Relations Hearing is Held for the U.S.-Netherlands Protocol

The Senate Foreign Relations Committee held a ratification hearing on September 24th, advancing the potential for ratification of this protocol signed earlier this year to amend the decade-old tax treaty between the U.S. and the Netherlands. Bill Reinsch, NFTC President, testified at the hearing. A written version of his testimony can be found on the NFTC website at www.nftc.org.

The trading relationship between the Netherlands and the United States is one of the oldest and most significant as both countries have long been advocates of open markets and expanded free trade. Important provisions in the Protocol are expected to enhance the already vigorous cross-border investments between the two countries. One of the most important provisions is the elimination of the 5% withholding tax on related-entity dividends, making further progress on the standard set in recent agreements between the U.S. and the United Kingdom, Australia, Mexico, and Japan. The Protocol requires an 80% ownership threshold to receive the zero withholding rate which the Protocol provides. The elimination of the dividend withholding tax is another important step toward eliminating this impediment to cross-border investment flows for U.S. companies. It also provides an important contribution to their competitiveness relative to their EU counterparts who have enjoyed a tax free environment with respect to intra-EU, parent-subsidiary dividends for over a decade.

Other important provisions included in the agreement are changes to the limitations of benefits provisions, reciprocal treatment for certain pension plans, and hybrid entity provisions. A Memorandum of Understanding that outlines the intent of the negotiators supplements the Protocol.

After approval by the Senate Foreign Relations Committee, the agreement moves to the Senate floor for approval. Committee staff has indicated that every effort will be made to complete the ratification process before the Senate adjourns. The Dutch have concluded their approval process. Once complete, the Protocol will be effective for withholding taxes on the first day of the second month following its entry into force. All other provisions will become effective as of January 1 of the year following the date of its entry into force.



U.S. Trade Representative Robert Zoellick speaks at the NFTC/BCIU launch of the US-Middle East Free Trade Coalition

(Continued from Page 6, "NFTC Tax Committee...")

comments in two areas. Phase 1 was released September 28th, in order to meet the deadline for comment on the OECD's "Discussion Draft on the Attribution of Profits to Permanent Establishment - Part I (General Considerations)" and the Draft Progress Report on Cross Border Tax Treaty Dispute Resolution. The NFTC's comments can be found in the first three chapters of the report, "The NFTC Tax Treaty Project, Towards a U.S. Tax Treaty Policy for the Future, Issues and Recommendations." It is available on the NFTC website in the tax topic area, under the subtopic, Tax Treaty Project, at www.nftc.org.

Phase 2 of Part I will be completed in time for the NFTC Fall Tax Committee Meeting, scheduled for November 16-17 in Washington. The remaining topics in Phase I include: 1) withholding rates, 2) pension and stock option issues, 3) issues regarding the U.S. Model Treaty, and 4) practical problems of treaty implementation. Part II of the Tax Treaty Project will be undertaken in 2005 and include the topics of 1) effects of EU developments, 2) coordination with the OECD, 3) negotiation priorities, and 4) NFTC participation in treaty negotiation and ratification activity.

For more information, please contact Judy Scarabello, Vice President for Tax Policy, jscarabello@nftc.org. As always, the support of NFTC member companies is greatly appreciated.



USA*Engage and the NFTC Release Vote Scorecard for the 108th Congress

On September 24, USA* Engage and the NFTC issued their "report card" for the 108th Congress, which grades each Member of Congress on his or her cumulative voting record on key issues affecting international trade, unilateral sanctions, and global engagement. The report card tallied nine different floor votes in each body. In the House 37 Members received an "A" rating, and in the Senate 27 Members achieved the highest grade. In addition, the "honor roll" of Members voting to affirm all four Free Trade Agreements included 212 Representatives and 53 Senators. At the top of the class, Senator Mike Enzi (R-WY) and Rep. Jeff Flake (R-AZ) both received "A+" for their perfect voting records. Members can find the report card at www.usaengage.org. Questions can be addressed to Haynes Roberts at 202/464-2025, hroberts@nftc.org.

USA*Engage Applauds Senate Vote to Table Lautenberg Amendment on Foreign Subsidiaries

On September 29, the Senate voted 47-41 to table an amendment introduced by Senator Lautenberg for the second time this session. The amendment (offered on the National Intelligence Reform bill) would apply IEEPA-based trade and investment sanctions extra-territorially to foreign subsidiaries of U.S. companies. The amendment also failed 50-49 this May when it was introduced to the FY05 Defense Authorization bill. Foreign subsidiaries are independently operated and incorporated in the country where they reside, making them subject to that legal jurisdiction. This bill would reverse decades of policy dating back to President Reagan's decision in 1982 to revoke sanctions on foreign subsidiaries invested in the Siberian pipeline project in order to avert adverse legal rulings and to resolve a major dispute with our trading partners.

ATRIP-USA*Engage Alliance Commends House Vote to Repeal Executive Branch Restrictions on Cuban-American Family Travel

On September 21, the House of Representatives passed, by a margin of 225-174, an amendment proposed by Rep. Jim Davis to the FY05 Treasury-Transportation Appropriations bill that would deny funding for implementation of the recently adopted Executive Branch restrictions on Cuban-Americans' ability to travel to Cuba to visit family members. The new regulations, issued this June limit Cuban-Americans to one visit to Cuba every three years (previously a yearly trip was allowed). The regulations also fail to provide any contingency in licensing for travel related to humanitarian efforts or emergency, such as hurricane relief efforts, caring for a sick relative, or attending a funeral. The regulations' definition of family eligible to be visited excludes aunts, uncles, and cousins. The Davis amendment would overturn all of these provisions. Businesses that rely on legitimate travel to Cuba have incurred severe financial losses since the regulations were published in June since OFAC has licensed fewer than 50 Cuban-Americans for travel. These new regulations have had the effect of a virtual moratorium on travel to Cuba. Members interested in Cuba contact Jody Frisch at 202/464-2031, jfrisch@nftc.org.

USA*Engage Welcomes Continued Removal of Sanctions on Libya

USA*Engage had urged the Bush Administration to lift remaining sanctions on Libya and therefore applauded their decision on September 20, based on Libya's continued commitment to abandon its WMD program, to release frozen Libyan assets, permit commercial air service between the two countries, and rescind IEEPA State of Emergency Executive Orders dating back to 1986 barring trade and investment. This removal of sanctions follows the rescission in April of the ban on travel to Libya by U.S. citizens and the interim suspension of the trade and investment Executive Orders, and allows for the transfer of a second tranche of compensation payment under an agreement between the Libyans and the families of victims of the Lockerbie bombing. However, Libya remains on the State Sponsors of Terrorism list, and removal of this designation will allow for the final portion of the reparations to be paid. In addition, USA*Engage has been urging Congress to remove Libya from Section 507 designation in the FY05 Foreign Operations Appropriations conference report, thereby restoring availability of Export-Import bank programs in Libya to U.S. companies. As of now, Libya remains ineligible in both versions of the legislation. For further information, contact Haynes Roberts at 202/464-2025, hroberts@nftc.org or Dan O'Flaherty at 202/464-2026, doflaherty@nftc.org.



Section 211 WTO Compliance Potentially Taken Up During Remainder of This Congressional Session

S. 2002, a bill that would narrowly comply with an adverse WTO ruling on Section 211, has been scheduled for markup in the Senate Judiciary Committee. The NFTC has endorsed and testified in favor of a competing bill, S. 2373, the "U.S. Cuba Trademark Protection Act," which repeals 211 in its entirety and encourages further cooperation with the Cuban government to secure continued reciprocal intellectual property rights recognition. While S. 2002 would satisfy the WTO panel decision, it would leave the U.S. out of compliance with a long standing hemispheric pact, the General Inter-American Convention for Protection of Trademarks and Commercial Property, and would thus endanger over 5,000 marks currently registered in Cuba by more than 500 U.S. corporations. The NFTC supports repeal of Section 211 as the only action that will fully comply with all our international obligations and avoid Cuban retaliation. We are also urging Congress to act on this issue through the normal legislative process rather than through a midnight amendment to an appropriations bill, which is how the provision became law originally.

Outsourcing Amendments Still in Play During Appropriations Process

The following amendments have been attached to either the House or Senate version of various appropriations bills or other legislative vehicles and are similar to many amendments deliberated in this Congress to restrict various aspects of business that have been relocated overseas. If the related bills are passed by both chambers, the conference committees will then determine whether these provisions will be included in the conference reports for final passage.

Sanders - H. Amdt. 704 to H.R. 4818 (FY05 Foreign Operations): This disqualifies inverted companies from Export-Import bank loans and programs. The Senate Foreign Operations bill passed without similar provision.

Kaptur - H. Amdt. 687 to H.R. 4766 (FY05 Agriculture): This prohibits Department of Agriculture funds for being used to implement food stamp programs via foreign call centers.

For more information on these amendments, contact Haynes Roberts (hroberts@nftc.org; 202/464-2025). For information related to Cuba policy, contact Jody Frisch (jfrisch@nftc.org; 202/464-2031). The report card and other information on coalition activities can be found at www.usaengage.org.



U.S.-South Africa Business Council Plans Busy Fall Line-up

Member companies met on September 9 for the second time with Deputy U.S. Trade Representative Josette Shiner and Assistant USTR for Africa, Flori Liser to discuss the status of the free trade agreement talks with SACU and specifically to raise concerns about South Africa's investment climate. The U.S.-South Africa Business Council has a series of high level meetings planned for the fall. On October 7, the new National Security Council Senior Director for Africa and Advisor to the President, Cindy Courville, met with Business Council members. On October 15 the Business Council met with the new U.S. ambassador to South Africa, Jendayi Frazer (formerly the NSC Senior Director for Africa). A meeting and reception with Business Council members is planned in late October for the new Assistant Secretary of State for African Affairs, Constance Newman. We urge NFTC member companies with significant investments in South Africa that are not yet members of the Business Council to join. As South Africa continues to embark on an extensive program of socio-economic and commercial transformation, the work of the Business Council is crucially important to NFTC members with operations there. Contact: Dan O'Flaherty at 202/464-2026, doflaherty@nftc.org, Emily Solomon, at 202/464-2029, ussabc@nftc.org, or Matthew Mullin, 202/464-2030, mmullin@nftc.org.



NFTC New Members



New Members

C&O Resources Inc. is a Washington, DC based international consulting firm specializing in the Middle East. Sandra Charles, President represents the company in its General Membership in the NFTC.

CMS Energy is an integrated energy company, which has as its primary business operations an electric and natural gas utility, natural gas pipeline systems, and independent power generation. George Pickart, Director of International Affairs represents the company in its International Trade & Finance Membership in the NFTC. www.cmsenergy.com.

Wells Fargo & Company is a diversified financial services company with \$420 billion in assets, providing banking, insurance, investments, mortgage and consumer finance to more than 23 million customers from more than 6,000 stores and the internet across North America and elsewhere internationally. David J. Zuercher, Executive Vice President and Group Head represents the bank in its International Trade & Finance Membership in the NFTC. www.wellsfargo.com.

McKenna, Long & Aldridge, LLP is an international law firm comprised of approximately 350 lawyers and public policy advisors with offices in Atlanta, Brussels, Denver, Los Angeles, Philadelphia, San Diego, San Francisco, and Washington, DC. Its clients are a mix of numerous Fortune 500 firms, mid-size companies, major government contractors, real estate developers and non-profit organizations of all types. Allen Green represents the firm in its NFTC General Membership. www.mckennalong.com.

The Goldman Sachs Group, Inc is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net-worth individuals. Andrea Scott, Vice President, Global Mobility Services represents the firm in its International Human Resources Membership in the NFTC. www.gs.com



Paul O'Neill of Boeing, US Trade Representative Robert Zoellick and NFTC Board Member Diana Sedney discuss the Middle East Free Trade Area

The National Foreign Trade Council is a leading business organization advocating an open rules-based world economy. Founded in 1914 by a group of American companies that supported an open world trading system, the NFTC now serves its companies through its offices in Washington and New York.



Human Resources



Annual International Business and Human Resources Conference-Houston, February 24-25, 2005

The NFTC will host its' fourth annual international business and human resources conference in Houston. The program will include sessions on China, India, Latin America and Russia, the development of global business leaders, protecting business and human capital assets, corporate governance, and e-learning.

The event will be co-sponsored by Aetna Global Benefits, Baker & McKenzie, the MI Group and Pricewaterhouse Coopers.

For more information about the agenda and registration contact Denise Schulman at dschulman@nftc.org or at 212/399-7128.



Calendar of Events



Date

Topic

Location

November 3-5	International Assignment Management Committee	New York City
November 16-17	Fall Tax Committee Meeting	Washington DC
December 10	Annual World Trade Dinner and Award Ceremony	New York City
December 10	Annual Membership meeting	New York City
December 10	Board of Directors Meeting	New York City
February 24-25	International Business and Human Resources Conference	Houston, TX
April 28-30	Spring Tax Committee Meeting	Charlotte, NC

**The Tax Steering Committee Meetings, SACU FTA Chapter Briefings, Expatriate Management, Global Compensation and International Benefits Committees are by invitation only. For information about them contact Chuck Dittrich, 202/887-0278, e-mail cdittrich@nftc.org*



National Foreign Trade Council



Current Member?

Update your contact information or add a colleague from your company who doesn't currently participate in NFTC activities.

Join us in securing an Open Global Trading System for U.S. Business!

If you know of a company that we may contact to join the NFTC or if you are not a member and would like information on how to become involved, let us know:

Company: _____
 Contact Name: _____
 Address: _____
 Phone: _____
 Fax: _____
 Email: _____

NFTC Area of Interest (check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> International Trade & Investment | <input type="checkbox"/> Export & Project Finance |
| <input type="checkbox"/> International Human Resources | <input type="checkbox"/> International Taxation |
| <input type="checkbox"/> USA*Engage | <input type="checkbox"/> U.S.-South Africa Business Council |

Please mail or fax to:

Chuck Dittrich, NFTC, 1625 K Street, NW, Washington, DC 20006

Fax #: 202.452.8160

National Foreign Trade Council
 1625 K Street, NW
 Suite 200
 Washington, DC 20006