

Council Highlights



October 2003

NATIONAL FOREIGN TRADE COUNCIL

A Word from the President

Well, Cancun is over, and you are all no doubt familiar with the outcome. The talks broke up (or down, depending on your perspective), superficially over the so-called Singapore Issues (so named because they were all put on the table at the same time at the Singapore Ministerial, despite the fact that they're unrelated to each other.)

These issues - trade facilitation, transparency in government procurement, investment, and competition policy - became a stumbling block when the developing countries maintained their insistence on not negotiating any of them, and others demanded taking up all, or at least some, of them. In the end, even a suggestion to negotiate only trade facilitation, probably the least controversial of the four, did not break the deadlock.

Beneath the surface, of course, things were more complicated. Agriculture loomed large as an intractable problem, but most important to the breakdown, in my view, were two other conditions, one substantive and one tactical.

Substantively, the talks are handicapped by the fact that the easy issues have already been negotiated. Those that remain high on everyone's list to tackle tend to involve "way of life" issues - agriculture, where the mystique of the small

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NFTC World Trade Dinner, Annual Meeting on November 10

To cap off a year of wide ranging activity on international trade issues, the NFTC will host United States Ambassador to the United Nations John D. Negroponte as the keynote speaker at the annual World Trade Dinner, November 10, 2003, at the St. Regis Hotel in New York City. The black-tie event will also feature the presentation of the NFTC's World Trade Award.

Don't miss the opportunity to take part in this elegant evening with the NFTC members, government officials and members of the diplomatic corps. Prior to the dinner, the NFTC will hold its annual meeting of members to elect its board of directors. A regular meeting of the board will take place the following morning, on November 11.

For more information, please contact Anne Alonzo, NFTC Senior Vice President, at 202-887-0278 or at aalonzo@nftc.org.

TOP COUNCIL NEWS

Threat to IRC Section 911 Continues

"While Senate Finance Committee members recognize the significant controversy associated with the repeal of, or modifications to, IRC Section 911, rumors continue that the provision is under consideration as a revenue source ..."

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South African Justice Minister Submits "Declaration" to U.S. Judge; Federal District Court to Hear Oral Arguments on "Apartheid" Alien Tort Lawsuits

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USA*Engage Supports Lifting Libya Sanctions

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Trade and Export Finance

Photos from Cancun Ministerial



John Weekes, Senior Policy Adviser, Sidley Austin;
Rufus Yerxa, WTO Deputy Director General;
Mary Irace, NFTC



NFTC Board Members and members of NFTC Special
Project on the Doha Round:
Ken Woodcock, AES; Geoffrey Gamble, Dupont;
Amy Beargie, UTC; George Kleinfeld, Clifford Chance



Bill Reinsch, NFTC President; Randy Dove, EDS;
Claudio Murri, EDS Brussels; Digby Jones and Gary
Campkin, Confederation of British Industries

NFTC Calls on WTO Members to Put Doha Round Talks Back on Track, Views Cancun Ministerial Outcome as Temporary Setback

The NFTC and its Doha Round Working Group were a leading US business voice during the recent WTO Ministerial Meeting in Cancun, Mexico. In addition to hosting a business reception and co-hosting a business dinner for the 70-plus member US congressional delegation, the NFTC interacted with its foreign counterparts and government officials throughout the ministerial in support of an ambitious outcome to the Doha Development Agenda.

Although the ministerial ended sooner than expected, without a final framework to give further direction to the Doha Agenda negotiations, the final draft text tabled by Minister Derbez demonstrated that progress had been accomplished in key areas and a final text was within reach. A process will now begin in Geneva to determine if there can be a convergence on the lynchpin issue of agriculture in a direction of fundamental reform and greater market access of agricultural markets. The issues of investment and competition policy appear to now be off the agenda for the most part, which will remove what had been the ostensible reason for the breakdown in Cancun. The elements of a workable and ambitious framework on industrial and services market access comprise the remaining core elements needed to rebuild the negotiating momentum.

Ultimate success of the Doha Agenda is in the strategic interest of US business. While an FTA-only strategy is now being touted as the main policy option in the wake of Cancun, an ambitious multilateral opening of markets through a successful conclusion to the Doha Agenda would provide widespread commercial benefits to US business and potentially accomplish more than could be achieved by any individual bilateral free trade agreement. Moreover, certain issues and major developing country markets can only be addressed effectively through a multilateral negotiation. Finally, a strong and predictable multilateral trading regime is in the fundamental best economic interest of US business and a successful Doha Agenda is essential to ensure this regime is relevant and credible to today's global marketplace. The goal now is for business to stay the course in support of an ambitious outcome, even if it will take longer than originally planned.



Trade and Export Finance

OPIC Reauthorization Legislation Slated for Congressional Action

As the Highlights went to press, the House International Relations Committee was preparing to mark up legislation to reauthorize OPIC, similar to the Administration's draft bill sent to Congress earlier in the year. The legislation is expected to include local currency guarantees and extended political risk coverage for expropriation involving parasitals, as well as a four year reauthorization. The bill will not include the revised "eligibility" criteria in the Administration's bill due to opposition from key democrats and the AFL-CIO. Agreement was also reached on report language calling for OPIC to initiate a mechanism to examine the merits of setting up an ombudsman office at OPIC to address environmental and other concerns raised by NGOs, among other provisions. OPIC believes these changes were necessary to assure a relatively smooth, non-controversial reauthorization process.

The Senate has yet to act on what is expected to be a similar reauthorization bill. In light of the fact that OPIC will not complete its reauthorization before its September 30 expiration; OPIC is seeking a short-term extension of its charter so it can continue operating until it is reauthorized. It will likely seek a 30 or 60 day extension in conjunction with a continuing resolution to keep the government funded until all FY04 appropriations measures have been enacted.

Chairman's Note

Even though it is still an odd-numbered year, election season seems to be full upon us. While the general public may not pay much attention until after Labor Day 2004, the pundits are in full pontification mode and the press is in full speculation mode, immediately deciding who is up and who is down based on candidates' slips of the tongue, contribution reports, and interviews with a handful of people in Iowa and New Hampshire.

As usual, there are some signs that trade and international economic issues may play a role in the campaign. This is normal at this stage, but they frequently die down by the time the real campaign begins, usually subordinated to domestic economic problems, and, this year, foreign policy.

This time, however, the public is learning fairly quickly that, thanks to global integration, trade is a domestic economic issue, and how the presidential candidates propose to deal with the perceived problems of trade could significantly affect their status.

Often, a particular trade issue becomes a proxy for the larger philosophical issues at stake in any debate about trade or globalization. In the past it has been steel, textiles, agriculture, or, in 1992, NAFTA. This year two issues loom large, but like those in the past, they're all about the same thing - loss of jobs.

The 2004 issues are job "off-shoring" and China. The movement of jobs offshore, particularly manufacturing jobs, is not a new issue. It's been going for more than forty years, and numerous administrations have failed to deal with it. The new development is the growing movement of white collar and service jobs offshore. The Commerce Department estimates over fifteen years they will amount to 3.3 million lost jobs and \$136 billion in lost wages. It is probably a sad commentary on our political process that we will pay more attention to this problem now that the jobs are white collar, but that may well be the reality. Candidates are busy developing "solutions" relating to exchange rates, Buy America or Hire American restrictions on government employment, and other essentially protectionist proposals.

At the same time, no campaign can go forward without a villain, and this time it appears to be China's turn. While forty years of manufacturing job loss can hardly be blamed on China, it is true that the country's enormous size and its aggressive growth, primarily as an assembler of products, though that will evolve, poses a significant challenge for the trading system. We have led the way in bringing them into the world trading system, and, of course, we will lead the way in insisting they live up to their obligations. Even so, they will loom large as a competitor, and calls to do something about it will be common in 2004 and future campaigns as well.

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Trade and Export Finance



Continued from Page 1, "A Word from the President"

family farmer is strong, even in countries like the U.S. and France; protection of intellectual property; investment; competition policy; the so-called Mode 4 issues involving the movement of workers, and numerous others. Unlike tariff negotiations or subsidy reductions, which can be phased out by negotiated mathematical formulae, these other issues seek to change the way people do things - from processing goods at the border, to approving contracts, to allowing foreigners into the country.

While there is a growing body of poll data that suggests people all over the world like globalization in theory and welcome the economic benefits it brings them, it is also clear that it makes them nervous when it cuts too close to their personal lives. It will take time and skillful negotiation to conquer, or at least calm, those fears.

Tactically, the big problem at Cancun was that the developing countries began believing their own speeches, which is always a danger in a negotiation. Normally, talks begin with strong statements and posturing - it's part of the game. As the week wears on, however, one generally expects the posturing to disappear, the statements to become more qualified, and hints of a willingness to deal start to appear. At Cancun, however, the rhetoric simply got more intense as the week wore on to the point where the developing countries had talked themselves into a position of no compromise on an offer that had little in it for anybody else. Ambassador Zoellick criticized them for being all take and no give, and he had a good point. In a negotiation the justice of one's cause should not be the deciding factor. If it were, we would never agree to anything.

So what happens next? Going out on a limb, I'd say it's 50-50 that within six months or a year they come back and agree to something not all that different from what was on the table when the Cancun meeting was dissolved. Rhetoric aside, the reality is that no one returned to his capital with any victories to brag about. Poor people are still going to be poor, the growth that trade causes is not going to occur, and developed countries are not going to increase their access to other markets (at least through broad, multilateral negotiations). Eventually, developing countries will be pressed by their own political necessities to return to the table.

The question for the developed countries is whether Cancun is a speed bump in the road or a fundamental paradigm shift in the negotiations. If it is the former, then my prediction will be correct. If instead, Cancun means the developing countries have found their voice and have found unity in agreeing to change the terms on which trade negotiations are conducted, then the road ahead will be much rougher, and the concessions developed countries will have to make, particularly in agriculture, are likely to be much greater.

NFTC Export and Project Finance Committee Plans to Host Meeting with MARAD Administrator

On October 2, the NFTC Export and Project Finance Committee will host a luncheon session with Captain Schubert, the current head of the Maritime Administration. The meeting follows up a meeting held last year to discuss U.S. exporter concerns with MARAD related restrictions on Ex-Im Bank-financed transactions. Exporters find MARAD shipping restrictions overly onerous and an important hindrance to Ex-Im Bank's ability to be competitive in supporting U.S. exports. MARAD reforms are an important priority of the NFTC.

U.S.-Morocco FTA Negotiations Entering their Final Stage, as Other Key FTAs Seek Year End Timetable

In its role as co-secretariat of the US-Morocco FTA Coalition, the NFTC and several of its member companies continue to engage in supporting a timely completion of the FTA talks with Morocco this year. The next and possibly final negotiating round is slated for the week of October 13. Final outstanding issues are likely to include agriculture and services, which are proving difficult for Morocco to fully liberalize. The Administration is also working actively to conclude this year more complicated FTA talks with Central American nations and Australia. The NFTC is a champion of these agreements as a member of their respective FTA business coalitions.



NFTC New Members



NFTC New Members

Accenture is a global management consulting and technology services company committed to delivering innovation by collaborating with its clients to help them realize their visions and create tangible value. With deep industry expertise, broad global resources and proven experience in consulting and outsourcing, Accenture can mobilize the right people, skills, alliances and technologies. With more than 80,000 people in 47 countries, Accenture works with clients in nearly every major industry worldwide. Mr. Paul Deboer, Senior Manager, is the NFTC member contact in their International Human Resources membership. www.accenture.com

Nokia United States is the U.S. subsidiary of a leading supplier of mobile, fixed broadband and IP networks. By adding mobility to the Internet, Nokia creates new opportunities for companies and further enriches the daily lives of people around the globe. Nokia is a broadly-held global company with listings on six major exchanges. JoAnn Stephenson, Senior Human Resources Manager is the NFTC member contact in their International Human Resources membership. www.nokiausa.com

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NFTC Staff Profile --

Anne Alonzo, Senior Vice President

Anne Alonzo was recruited by the NFTC Board to her current position more than three years ago. That was an especially challenging period, as the Council was undergoing a major transition at the senior leadership level. As second in command at NFTC, Anne has a broad portfolio of responsibilities which include: serving as liaison to the NFTC Board; directing membership development and strategic alliances; as well as general association management, marketing and financial oversight. By all accounts, Anne has been especially adept at getting things accomplished, often under the pressure of tight deadlines and competing agendas. She has received the NFTC President's highest compliment: "Anne provides the glue that keeps us together."

Anne began her career in the environmental sector and spent several years as a senior enforcement attorney with the U.S. EPA out of Region V, EPA, Chicago. She was subsequently selected as the U.S. EPA's first representative ever assigned to a foreign post, becoming the EPA's diplomat to the U.S. Embassy in Mexico during the period of protracted NAFTA negotiations. Thereafter, Anne was handpicked by then-U.S. Secretary of Commerce Ron Brown to serve as a Deputy Assistant Secretary, International Trade Administration, entrusted with starting up a global environmental trade promotion program, which included developing and leading trade missions for companies all around the world.

An attorney who also holds an MBA from the University of Chicago, Anne uses her well-rounded knowledge base not only professionally, but also to help her own community, serving on the Council on Foreign Relations; the Hispanic Council on International Relations (Board Member); the Multiple Sclerosis Ambassador's Ball Executive Committee; the U.S. Mexico Chamber (Board Member); and the OAS Friends of the Art Museum of the Americas (Board Member).

Anne's extensive array of talents and experience have been put to full use at the NFTC, to whose mission and success she is deeply committed. In fact, if you haven't already, you will undoubtedly soon hear from Anne and her team about participating in NFTC's signature fundraising event - the Annual World Trade Dinner, scheduled this year for November 10, 2003, at the St. Regis Hotel in New York City. Anne's energy and vivaciousness is especially hard to resist, so get ready to be a part of this exciting event!



Tax Policy

Threat to IRC Section 911 Continues

While Senate Finance Committee members recognize the significant controversy associated with the repeal of, or modifications to, IRC Section 911, rumors continue that the provision is under consideration as a revenue source for the Senate's version of the FSC/ETI replacement bill. While changes to IRC Section 911 are not part of Senator Grassley's Chairman's mark, "Jumpstart Our Business Strength (JOBS) Act," co-sponsored by Senator Baucus, Ranking Member of the Senate Finance Committee (i.e., the legislation to resolve the FSC/ETI issue), there are indications that there is still significant risk that the provision might be scaled back or otherwise modified to generate revenue via an amendment.

IRC Section 911 allows a U.S. resident that works abroad to exclude up to \$80,000 of foreign earned income from U.S. taxation, helping to mitigate the double taxation associated with the U.S. worldwide tax system. Its repeal would raise taxes on U.S. businesses and American workers abroad, seriously undermining their ability to remain internationally competitive.

Congressional staffers agree that any tampering with Section 911 would be "very controversial," given the outcry that was generated in May (the NFTC played a key role in that fight; its letters to Congress can be found at www.nftc.org) when the Committee targeted IRC Section 911 for elimination. They still are not ruling out, however, the prospect of tweaking the provision in some way. It has been reported that the tinkering might include reducing the dollar amount of the \$80,000 exclusion (e.g., cutting it back to \$50,000), limiting it to individuals below a certain income level (e.g., to individuals making \$35,000 or less), or targeting the housing allowance (former IRC Section 913) for reduction. The NFTC has said many times before that any modifications along these lines would seriously undermine U.S. competitiveness in foreign markets.

On September 17th, the NFTC on its behalf and that of twenty two other associations and organizations sent a letter to Senate Finance Committee members expressing concerns about any modifications to IRC Section 911. The letter can be found at the NFTC's website, www.nftc.org, or contact Judy Scarabello, Vice President for Tax Policy at jscarabello@nftc.org.

NFTC Hosts OECD Conference with USCIB, "The Global Tax Environment for U.S. Business"

As part of the NFTC's fall meeting, the NFTC will join the United States Council for International Business (the "USCIB") in hosting the Organization for Economic Cooperation and Development (the "OECD"). The Wednesday, November 5th, all-day event will be held in the Ronald Regan Building and International Trade Center in Washington, DC and will include presentations from OECD officials, including Richard Hecklinger, the OECD Deputy Secretary-General. Michael H. Jordan, Chairman and CEO of EDS, who is also the NFTC's Chairman of the Board, will kick off the meeting with Mr. Hecklinger. The topic of their remarks is "Creating a Global Business Environment." A legislative and Treasury update, in the tradition of past NFTC Fall Meetings, will be on the program for Thursday, November 6th, the second day of the conference.

The conference will highlight the OECD's varied tax activities and will provide an opportunity for NFTC members to obtain first hand knowledge of current OECD undertakings. Jeffrey Owens, Head, Center for Tax Policy and Administration (CTPA), at the OECD, will provide remarks on several important topics, including the use of technology to provide improved taxpayer service. He will also lead a discussion on international dispute resolution and participate in a roundtable discussion on emerging international tax issues.

Other members of the OECD's CTPA that will participate in the program are: David Holmes, who is the Head of the Consumption Taxes Unit; and Jacques Sassesville and John Neighbour representing the Tax Treaty, Transfer Pricing & Financial Transactions Division. They are the Head of that Unit, and Head of that Division, respectively. Current international tax issues attributable to electronic commerce, including an update on value added tax and tax treaty issues attributable to digital technology will be included in the agenda. Recent issues associated with tax treaties and transfer pricing including the many issues associated with permanent establishment will also be discussed.

The draft agenda and registration form will be available soon. For more information, contact Judy Scarabello, Vice President for Tax Policy at jscarabello@nftc.org.



Tax Policy



Congressional Staff Share Input on International Tax Provisions

The September 10th Tax Lunch Forum was the most widely attended of the NFTC's regularly scheduled luncheons. The Forum included remarks from the staffs of Representative Phil Crane and Senator Orrin Hatch, who spoke on possible alternatives to resolving the FSC/ETI issue. Manny Rossman, Legislative Director for Representative Crane, discussed H.R. 1769, "Job Protection Act of 2003," the legislation co-sponsored by Crane, and House Ways and Means Committee Ranking Member, Charles Rangel. Evan Liddiard, Tax Policy Advisor for Senator Hatch, spoke about S. 1475, "Promote Growth and Jobs in the USA Act of 2003." Both pieces of legislation provide possible solutions to the ongoing debate in the FSC/ETI area.

Manny's comments focused on the importance of replacing the FSC/ETI benefit for U.S. manufacturers in a way that would be WTO compliant. He made the case that his boss' bill, H.R. 1769, is expected to accomplish that objective, has over 144 co-sponsors and goes a long way toward protecting the competitiveness of U.S. manufacturers. Evan countered by indicating that while H.R. 1769 is a significant step in the right direction, it does not go far enough to fix many of the ills associated with the U.S. international tax regime. His boss' bill does address those weaknesses, he argued. Both staff members stressed the importance of enhancing the competitiveness of U.S. multinationals. The tax luncheon forums will resume in January 2004. The next NFTC tax event is the Fall Tax Meeting, November 5-6, 2003 in Washington, DC. For more information, contact Judy Scarabello, Vice President for Tax Policy at jscarabello@nftc.org.

Photos from the September 10 Tax Lunch Forum



NFTC Members attend
September 10th Tax Lunch Forum



Manny Rossman, Legislative Director for
Representative Philip Crane and Evan Liddiard,
Tax Policy Advisor for Senator Orrin Hatch



U.S.-South Africa Business Council



South African Justice Minister Submits “Declaration” to U.S. Judge; Federal District Court to Hear Oral Arguments on “Apartheid” Alien Tort Lawsuits

Meetings between Business Council staff and senior South African government and private sector figures in May contributed to a highly positive development in the so-called “apartheid” alien tort lawsuits. On July 29 the South African Justice Minister Penuell Maduna submitted a “declaration” to Judge John Sprizzo of the Federal District Court for the Southern District of New York, who is presiding over the lawsuits filed over the past year against U.S. and EU companies that conducted business in South Africa between 1948 and 1994. Minister Maduna argued strongly that the lawsuits were a violation of South Africa’s sovereignty and that their reconciliation process will provide adequate reparations to victims of apartheid. The U.S.-South Africa Business Council had urged action of this kind by the South African government.

Judge Sprizzo will hear oral arguments in two of these cases on November 6. He has stayed action on the other cases consolidated in the Southern District until he rules on these two. Companies wishing to participate in the Business Council’s work on these lawsuits should contact Emily Solomon at ussabc@nftc.org or Dan O’Flaherty at doflaherty@nftc.org.

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.

Assistant USTR Flori Liser Briefs US-SACU Free Trade Coalition

On August 19 the Assistant U.S. Trade Representative for Africa Flori Liser briefed the U.S.-South Africa Business Council-sponsored coalition, the U.S.-SACU FTA Coalition, on the second round of talks, held in Pretoria in early August. She also discussed the upcoming round to be held at Howard University in Washington on October 15-18. The Coalition will sponsor a reception for the SACU negotiators, Members of Congress and U.S. executive branch officials on Wednesday evening October 15. In addition, the Business Council will organize a roundtable for U.S. companies to discuss commercial opportunities that will flow from a successful FTA.

Assistant Secretary of State Walter Kansteiner Meets with Business Council

On September 9, Walter Kansteiner, Assistant Secretary of State for Africa met with the U.S.-South Africa Business Council to discuss current issues, including President Bush’s summer visit to South Africa and prospects for regional integration. The Business Council also received a detailed briefing from lead counsel in the alien tort lawsuits focused on the November 6 oral arguments on the motion to dismiss. The Business Council welcomed the new head of the Department of Commerce Office of Africa, Holly Vineyard. Companies wanting more information about the U.S.-South Africa Business Council and its activities can contact Emily Solomon at ussabc@nftc.org or Dan O’Flaherty at doflaherty@nftc.org.



USA*Engage Supports Lifting Libya Sanctions and Submits Recommendations on Iran-Libya Sanctions Act (ILSA) to Executive Branch

USA*Engage has encouraged the Bush Administration to lift unilateral economic sanctions on Libya in light of the United Nations' vote in mid-September to remove multilateral sanctions as part of a settlement with the victims' families in the Lockerbie bombing. The settlement stipulates that the remaining compensation to the families will be transferred when the U.S. removes Libya from the list of state sponsors of terrorism, lifts Reagan-era executive orders barring trade and investment, and exempts foreign investors in Libya from ILSA penalties. American energy companies' concessions in Libya will begin to expire in 2005, and failure to alter the sanctions regime could prompt Libya to renegotiate those with non-U.S. companies.

In addition, USA*Engage has submitted a policy paper to the State Department recommending the termination of ILSA. The "ILSA Extension Act of 2001" requires the Administration to submit a report to Congress by February 2004 assessing the effectiveness of the law. The coalition's submission outlines foreign investment in the two target countries since the passage of ILSA, finding the law's ability to deter foreign engagement virtually nonexistent. Since the passage of ILSA, an estimated \$37 billion has been invested in the Iranian and Libyan oil and gas sectors combined.

USA*Engage Details Delays in Visas in Report to the House Small Business Committee

USA*Engage and the U.S.-China Business Council have made a joint submission to the House Committee on Small Business citing specific cases of delayed visa applications to bring foreign employees into the U.S. for training. Whereas visa applications have traditionally been approved or denied within a month, policy changes implemented in the wake of September 11th have resulted in delays of over six months in some cases. Despite the good intentions of the policy changes, the inability to bring foreign employees and potential purchasers into the U.S. is having a negative impact on U.S. business' ability to compete. The report is designed to expedite the approval of pending applications and to illustrate the broader problem.

USA*Engage Hails House Vote to End Travel Ban to Cuba

After an extensive lobbying effort by USA*Engage and other business and non-governmental organizations, on September 9th the House approved legislation that would ease the travel ban to Cuba. On September 4th, NFTC president William Reinsch testified before the Senate Finance Committee in support of ending the ban on travel and engaging Cuban society, as opposed to the failed policy of isolation. For the third consecutive year, by a bipartisan vote of 227 to 188, the House passed legislation sponsored by Reps. Flake, Delahunt, Emerson and McGovern to cut off funding for enforcement of the travel ban by the Treasury Department's Office of Foreign Assets Control. Identical legislation has been introduced in the Senate and is expected to be voted on by late October. USA*Engage is lobbying key Senators with the objective of a Cuba travel bill coming out of conference at the end of this session of Congress.



Human Resources



Developing Global Business Leaders

On August 6 the NFTC's Global Human Resource Advisory Board and other senior human resource colleagues met in New York City to discuss and explore the business critical issue of identifying and developing future business leaders. The main areas of discussion centered around: (1) the importance of developing and retaining this talent pool; (2) how best to actually identify the talent (and not miss talent) as early as possible; and (3) how well were the companies represented actually doing.

As expected, this is a high priority issue for senior human resource and line management (a rating of 9 or 10 on a scale of 1 to 10). How well companies are actually doing was described as "needing improvement" (most participants self-rated themselves at the 5 or 6 level). The Global Human Resource Advisory Board supports further review of the issue.

The discussions were facilitated by Paul Hansen and Morse Wilkenfeld of Towers Perrin.

Another meeting will be held in New York City on November 4. For information contact Bill Sheridan at wsh-eridan@nftc.org or at 212/399-7128.

NFTC Hosts Global Mobility Seminar in Dearborn

On August 12, the NFTC co-hosted a seminar with the Michigan-based American Society of Employers (ASE). One hundred delegates from our two organizations attended. Topics included updates on the impact of Homeland Security on business-related travel and immigration; global tax developments; protecting expatriates and business travelers in these challenging times; and a panel discussion on Insourcing vs. Outsourcing of expatriate program activities.

Expert speakers participated from NFTC members at CIGNA, Deloitte, Ford Motor Company, Fragomen Del Rey Bernsen & Loewy, General Motors, the NFTC and Prudential Relocation. We plan on co-hosting additional programs with ASE in 2004.

The NFTC will sponsor similar full day programs in November in Charlotte, Irvine and Washington, DC. For information on these programs contact Denise Schulman at dschulman@nftc.org or at 212/399-7128.

Military Leader Gives Insight at Global Human Resources Conference

The NFTC hosted a two day conference in Westmont, Illinois on September 23-24, 2003 on the topic of Managing Global Human Resources in These Challenging Times. Featured speakers included Peter Brew of the International Business Leaders Forum (UK) and Bill Reinsch, president of the NFTC.

The keynote speaker was U.S. Army Lieutenant General (retired) Gus Pagonis, who is now an Executive Vice President with Sears, Roebuck & Company. He shared some of his experiences as the senior logistics officer during Operations Desert Storm and Operation Desert Shield where he reported directly to Generals Powell and Schwarzkoff. He described his philosophy and practices in leadership and management gained during his 30 year active duty career and 10 year business career with Sears Roebuck. Since 1993 he has been part of the top management team which has helped Sears in its turnaround efforts.

In addition, there were presentations on: Homeland Security and its' impact on international business and businesses; off-shoring and outsourcing; updates on international benefits and compensation management, employment laws and taxes; and the application of Six Sigma processes to international human resource management.

Besides subject matter experts from Baker & McKenzie, Deloitte & Touche LLP, SIRVA Relocation and Zurich Insurance there were corporate speakers including Traci Kellogg of Dow Chemical, Michael Carr of Goldman Sachs, Nigel Holt of Nestle(UK), Linda Bartoni of NOVA Chemical and Joseph Mongrain of Schlumberger Oilfield Services and Lynne Marra of UNUM Provident.

The next NFTC international human resources conference will be in Houston on February 10-11, 2004.

"Chairman's Note," continued from Page 3

The NFTC's role in all this will be that of a voice of reason. Our members are deeply involved in China and, as multinational companies, engage in the off-shoring the politicians complain about. We do both because we believe it leads to more growth - and more jobs - for us and for our country. As the presidential campaign heats up, we will be pressed to defend that position, and we need to start now to get our ammunition in order.



Calendar of Events

<u>Date</u>	<u>Topic</u>	<u>Location</u>
October 2	Export and Project Finance Committee Luncheon with MARAD Administrator, William Schubert	Washington, DC
October 3	U.S.-South Africa Business Council Chairman's meeting with new South African Ambassador	Washington, DC
October 9	Trade and Investment Committee Meeting with Dorothy Dwoskin, Assistant USTR for Multilateral Affairs	Washington, DC
October 15	Reception on Capitol Hill for U.S.-SACU Free Trade Agreement negotiators	Washington, DC
October 16	International Benefits Committee	New York City
October 17	Global Compensation Committee	New York City
October 22	U.S.-South Africa Business Council Congressional Forum	Washington, DC
November 4	Global Human Resources Advisory Board	New York City
November 5	NFTC & USCIB Conference on Global Tax Environment for U.S. Business	Washington, DC
November 5-6	Fall Tax Committee Meeting	Washington, DC
November 6	Global Mobility Seminar	Irvine, CA
November 10	Annual World Trade Dinner and Award Ceremony	New York City
November 10	Annual Membership Meeting	New York City
November 11	Board of Directors Meeting	New York City
November 12	Global Mobility Seminar	Washington, DC
November 14	Global Mobility Management Roundtable	New York City
November 18	Global Mobility Seminar	Charlotte, NC
April 29 - May 1, 2004	Spring Tax Meeting	Scottsdale, AZ
February 10-11, 2004	Annual International Human Resources Management Conference	Houston, Texas



National Foreign Trade Council



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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:

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Please mail or fax to:

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