

# INTERNATIONAL BUSINESS

## Curbing Investment Protectionism

page 5

### Inside

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Education for the 21<sup>st</sup> century **2**

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G20 and Rio+20 summits **3-4**

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The "gender dividend" **6**

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Peter M. Robinson, President and CEO, USCIB

***A new report explores approaches to lifelong learning for the 21st century.***

## Education for the 21st Century

**M**ore and more, technology is eradicating traditional jobs faster than individuals can learn the skills necessary to adapt to new opportunities. The business community acknowledges that the “creative destruction” inherent in globalization and technological innovation can impact individuals differently. We believe that both the public and private sectors must help citizens and workers elevate their skills to meet the needs of the changing job market.

Increasingly, we see a disconnect between what we teach our children and the skills needed to succeed in today’s economy. We need to rethink the fundamental process of how we educate our young and train our workforce. In the 21st century, educators, policy makers and the business community must develop a common global approach to education, skills development and lifelong learning.

This was the focus of a new white paper from the United States Council Foundation, USCIB’s educational arm, and The McGraw-Hill Research Foundation. Summarizing the conclusions of a *Roundtable on Education and Human Capital Requirements* held earlier this year, the paper calls for a continuous, cogent conversation to respond to the global and personal challenges of the 21st century.

### Beyond math and science

Rejecting efforts to elevate science, technology, engineering and mathematics (STEM) over the humanities or other disciplines in favor of a more flexible approach, the report encourages educators to address both individual learning styles as well as the changing demands of the workplace.

It became clear at the roundtable that we do not have a coherent strategy to skills development that will meet the economic needs of the 21st century. Research is fragmented among stakeholders, with business, educators and policy makers each looking at the problem through their own prism. We need a global, multi-disciplinary approach to solving the problem.

As **James H. McGraw, IV**, president of The McGraw-Hill Research Foundation, noted: “Disruptive events around the world underscore dramatic changes occurring in societies; yet one truism remains unchanged: the key to unlocking a brighter future is forged in education. If we are to tackle the problem of stubbornly high unemployment and meet the job needs of global employers over the long term, we need to embrace a wide range of ideas about education and consider new possibilities.”

The paper offers a number of suggestions made at the roundtable to help improve education, including:

- Focus first on early childhood, where the best return on investment lies.
- Build resilience into education systems, improving their ability to respond to rapidly changing needs.
- Push for mastery of the foundational curriculum through middle school.
- Focus on processes to reach deep understanding of the knowledge areas covered.
- Improve the connection between school and work-based learning via apprenticeships and internships.
- Rethink the front-end-loading of education, as in many cases formal education is continuing well into adulthood via personal re-skilling and corporate training.
- Develop a better understanding of the role of corporate training and development and its contribution to life-long learning.
- Place increased value on informal learning avenues (such as after-school programs, museums, etc.) as critical supplements to the inevitable gaps of formal learning.

In the words of **Charles Fadel**, author of *21st Century Skills* and founder and chairman of the Center for Curriculum Redesign, which prepared the white paper: “What is clear is that there is an urgent need to bring to the fore a deeply cogent, synthetic, open-minded and continuous conversation.”

You can download a copy of the white paper at [www.uscouncilfoundation.org](http://www.uscouncilfoundation.org).

The United States Council Foundation and The McGraw-Hill Research Foundation plan to convene a second roundtable to focus on the white paper’s suggestions for immediate action and identify key areas for further study and research. We encourage you to get involved and help us disseminate the results of this project further.

Contact Peter Robinson at (212) 703-5046 or [probinson@uscib.org](mailto:probinson@uscib.org). ■

# Rio+20 Summit Could Open Door for Environmental Innovation

**U**SCIB members and staff played an active role in events surrounding June's Rio+20 earth summit. Following its conclusion, USCIB expressed optimism that agreements reached in Rio could pave the way for American companies to contribute more fully to policies and innovation to spur greener growth.

"While the summit has not achieved all that we wished, Rio+20 has delivered a package of pledges that, taken together, could broaden the engagement of not just governments, but also business, in sustainable development and take it to a new level," said **Norine Kennedy**, USCIB's vice president for energy and environment.

Over 120 heads of state met in Rio to lay out international priorities for new actions and institutions in a broad range of areas, including scaling up technological innovation, improving access to sustainable energy, and advancing sustainable consumption and production – all of these deliverables were identified by USCIB as critical to a successful and practical outcome.

The Rio+20 agreement renews the commitment of the international community to sustainable development, and reaffirms the importance of promoting an economically, socially and environmentally sustainable future by engaging not just governments, but also other stakeholders and the business community. Specifically, it provides for:

- the launch of an international effort to frame Sustainable Development Goals, involving important partners, including business
- the creation of a new international high level forum for sustainable development to raise the level of involvement of governments and other stakeholders, including business.

A large number of USCIB member companies attended the landmark event – more than at any previous UN environmental gathering. They offered their expertise to negotiators and other important decision-makers gathered here, and participated in the Day of Business organized by the International Chamber of Commerce and its Business Action for Sustainable Development initiative.

USCIB, which launched the **Green Economy Dialogue** (GED) project last year to foster consensus among business, government and other stakeholders around green growth policies, held GED briefings in Rio, in cooperation with the



USCIB's Norine Kennedy speaking at the Green Economies Dialogue event in Rio.

Japanese and U.S. governments. The briefings developed recommendations for globalizing green growth approaches, and explored options for public- and private-sector action and partnership. Speakers from a wide range of companies and government representatives discussed green economy issues as substantive input to Rio+20. They reflected the necessity of engaging all business sectors in greener growth and more sustainable practices.

USCIB Executive Vice President **Ronnie Goldberg** highlighted the urgent need to enact policy frameworks that will spur job creation. "While we see the promise of job creation in new industries and sectors related directly to sustainability, reaching the full potential of greener growth will require sensible government policies to make all jobs greener," Goldberg said at the U.S. Center Green

Economies Dialogue event on June 18.

Encouraging corporate sustainability reporting was among the specific business recommendations set out in the text. "U.S. companies will continue to explore approaches to communicate sustainability and will participate to share models of good practice in this area," said **Clifford Henry**, associate director of corporate sustainable development with The Procter & Gamble Company and chair of USCIB's Corporate Responsibility Committee.

USCIB's Kennedy, who served as a member of the U.S. government delegation in Rio, said USCIB had represented the views of U.S. companies throughout the negotiating process. "We underscored the importance of open trade and investment, and the need to protect intellectual property rights and proprietary information," she said. "We appreciate the U.S. delegation's strong efforts to promote technological innovation in the Rio+20 outcomes. We are pleased that governments rejected harmful provisions that called for weakening of IPRs, a reassessment of existing IPR and patent rules, or preferential access to transfer of technology." ■





USCIB Chairman Terry McGraw (center), who also serves as vice chairman of the International Chamber of Commerce, speaks at the B20 Summit. ICC Chairman Gerard Worms is at left, and ICC Honorary Chairman Victor Fung at right.

## Business Weighs In With G20 Governments in Los Cabos

**U**SCIB President and CEO **Peter M. Robinson** attended the B20 business meetings preceding June's G20 Summit in Los Cabos, Mexico, joining USCIB Chairman **Harold (Terry) McGraw III** and a host of global business leaders for intensive discussion and dialogue with G20 governments.

In a message to members reflecting on the summit's outcome, Mr. Robinson wrote: "There is one thing I am certain of: G20 governments have heard the voice of business on a number of critical trade, investment and financial issues. To what extent the G20 truly listened to and learned from business will only be revealed through government actions going forward."

The B20 Summit has become an annual accompaniment to the G20 Summit, attended by numerous business leaders and incorporating the involvement of each leg of USCIB's global network – the International Chamber of Commerce (ICC), the International Organization of Employers (IOE) and BIAC, the Business and Industry Advisory Committee to the OECD.

Robinson said this year's B20 meeting was a well-organized event that incorporated dialogue and exchange between business and government leaders, including both heads of state and heads of intergovernmental organizations, representing an opportunity for business to communicate its views. Position papers were developed through a consultative process established by **Alejandro Ramirez**, CEO of the Mexican company Cinopolis, who Robinson said "did a great job" as the B20 coordinator appointed by Mexican President **Felipe Calderon**.

Industry task forces organized by ICC and the World Economic Forum examined a wide range of issues in the lead-up to Los Cabos, with ICC leading the task force on trade and investment, which was co-chaired by ICC

Honorary Chairman **Victor Fung**, IOE Executive Vice President **Daniel Funes de Rioja** participated in the employment task force, which was co-chaired by USCIB Trustee **Jeffrey Joerres**, chairman and CEO of Manpower Inc. IOE and BIAC have organized business input to the G8/G20 labor ministerials.

In addition to Calderon, the B20 gathering was addressed by British Prime Minister **David Cameron**, Chilean President **Sebastian Pinera**, Australian Prime Minister **Julia Gillard**, Korean President **Lee Myung-bak**, Turkish Prime Minister **Recep Tayyip Erdogan**, Indonesian President **Susilo Bambang Yudhoyono** and Benin President **Yayi Boni**. The heads of major inter-governmental bodies also participated, including World Bank President **Robert Zoellick**, IMF Managing Director **Christine Lagarde**, OECD Secretary General **Angel Gurría** and WTO Director General **Pascal Lamy**.

According to Robinson, government leaders emphasized a common refrain:

- a commitment to open markets and roll back protectionism
- the importance of encouraging economic growth and job creation
- a challenge to business to make its voice heard strongly and to go beyond basic recommendations
- encouragement of the business community to measure results and actions by governments.

Robinson said business would indeed strive to hold the G20 accountable. "Certainly, the final communiqué endorsed a number of basic business messages," he said. "I am optimistic and hopeful that the considerable energy that went into the organization of the B20 in Los Cabos will pay off in the long run, and that business will have a continued leadership role in the years ahead." ■

### Business Scorecard Gives G20 an "Incomplete"

At a Washington, D.C. consultation with U.S. G20 Sherpa **Michael Froman** in early June, ICC launched its G20 Business Scorecard, measuring progress on the G20's response to business recommendations. The scorecard, unveiled at an event hosted by the Center for Strategic and International Studies, marked G20 performance as "incomplete" in three out of four policy areas evaluated: trade and investment, green growth, transparency and anti-corruption, and financing for growth and development.

The aim of the scorecard is to generate a balanced and reliable measurement of the G20's performance in response to business recommendations that have been put forward to G20 leaders. High priority is given to ICC priority issues including trade and investment, where the scorecard gave the G20 a score of "incomplete," based primarily on its failure to help advance the Doha Round of trade negotiations.

According to USCIB Chairman **Terry McGraw**, the Washington consultation "is part of the business community's effort to play an increasingly influential role to support G20 actions to foster economic growth, promote open trade and investment, build a more stable financial system and improve the environment for doing business."

## The Big Idea:

# It's Time to Stop Investment Protectionism

By James Bacchus, Victor K. Fung, Harold McGraw III & Gérard Worms

It is time for a much-needed reminder of the tremendous potential that investment liberalization can unleash on the ailing global economy, and for the G20 to create a more stable and predictable climate for cross-border investment.

Although international investment is rising again after plummeting from the record levels registered just before the global financial crisis began, global foreign direct investment (FDI) remains 15 percent below pre-crisis levels. Rising, too, are restrictions on FDI through various forms of investment protectionism that are clouding the future for global economic growth.

## New ICC investment guidelines help chart a path to reviving FDI as an engine of global growth.

flows and thus stimulate economic growth and prosperity across the globe. Like the recent EU-U.S. statement endorsing investment's key role in the global economy, we hope that G20 leaders recognize FDI's role in promoting growth and standing strong against the temptations of protectionism.

Boosting FDI in today's global economy is a pressing concern to developed and developing countries alike. The new world of international investment no longer holds to the weary "North-South" stereotype. More than half of all inbound FDI today – 52 percent – goes to developing and transitional economies. Outbound FDI from developing and transitional economies is also increasing rapidly – \$388 billion in 2010, up 21 percent from 2009.

Yet the business confidence needed to boost investment flows worldwide is constrained by significant uncertainties ranging from excessive sovereign debt and macro-economic imbalances to the increasing influence of state-owned enterprises and sovereign wealth funds, as well as the growing trend of "re-regulating" international investment.

In 2000, only two percent of all government investment measures taken worldwide imposed new restrictions on international investment. In 2010,

that proportion had risen to nearly one-third – 32 percent. UNCTAD has warned that this "maintains the long-term trend of investment policy becoming increasingly restrictive rather than liberalizing."

Other stereotypes of the past no longer apply either. Most of the new measures limiting international investment are being used not by developing countries but by developed ones. This is particularly the case in the financial and natural resources sectors, and reveals a disturbing and shortsighted trend away from free markets towards increasing discrimination in favor of "national champions" and local companies in "strategic industries."

The new ICC guidelines, which draw on the collective experience and specific suggestions of businesses throughout the world, reaffirm business's belief in what the G20 has described in its action plan for jobs and growth as the role of investment "to unlock new sources of growth." The guidelines reiterate the basic obligations of investors, investing countries, and host countries with respect to such traditional concerns as fair and equitable treatment of investment and protection against expropriation without just compensation.

But the guidelines also go far beyond the previous version to address several "new" investment issues that have emerged since 1972, during four decades of expanding globalization.

They emphasize the global need for the free flow of capital to spur investment and of services to support investment, as well as the need for transparency and due process in the governance of investment. They also state that host countries should respect international rules related to foreign investment such as local content, equity caps, technology transfer, domestic sales limitations, and the mandatory use of indigenous technology.

The guidelines outline the protection of intellectual property rights, the prohibition of discrimination in government procurement, and anti-corruption. They contain language which specifically addresses corporate responsibility, strengthening previous provisions on labor rights, setting out new obligations on human



continued on page 10



## Reaping the “Gender Dividend”

**A**s governments struggle to find the right combination of policies to create jobs, boost demand and spur economic growth, a new report from BIAC, the Business and Industry Advisory Committee to the OECD (which USCIB represents in the United States), and the American Chamber of Commerce in France suggests that women’s economic empowerment is a powerful resource.

The report, “*Putting ALL Our Minds to Work: Harnessing the Gender Dividend*,” was unveiled May 22 in Paris as part of the OECD’s annual ministerial meeting and public forum. It states that unleashing women’s talent and creative potential in the workplace bears significant and well-documented economic gains, not only for companies, but for women themselves, economies and societies as a whole. In this strategic context, the role of women as critical human capital as well as consumers is key, all the more so as the global economy faces persistent economic challenges.

Seeking to help bridge the gender divide, the report shows that there is a clear gender dividend, presenting evidence of how the accelerating trend towards women’s economic empowerment is bringing about change. Companies and business organizations are taking action and assuming leadership locally and globally to implement practices and policies that open pathways to the highest level for women in business. The report advocates the business case for women’s economic empowerment, provides a toolkit of company best practices and puts forward public policy recommendations to further enable efforts to maximize the benefits of gender diversity.

BIAC worked closely with the United States Mission to the OECD, in partic-

ular Ambassador **Karen Kornbluh**. According to Ambassador Kornbluh: “The United States supported the launch of the OECD Gender Initiative because women’s economic empowerment is a centerpiece of U.S. foreign policy. The reports address the paradox that although more girls than ever are getting an education and are entering the workforce, we still see little change in top management or in ownership of assets. The OECD and BIAC reports together document the leaky pipeline that explains the paradox and present policy tools which businesses and governments can use to repair it.”

The BIAC report highlights that despite best efforts, progress in moving women into senior decision-making roles of companies is still slow. At the current rate of change it will take until 2057 for there to be 30 percent representation of women on the boards of global large-cap companies in emerging and developed markets.

“Gender equality is an economic issue, and should be a business priority,” stated **Ronnie Goldberg**, USCIB’s executive vice president and senior policy officer, who chairs the BIAC Employment, Labor and Social Affairs committee, which is providing a business perspective on OECD work on the gender dimension of education, employment, and entrepreneurship. “Countries, as well as companies, that do not capitalize on the full potential of half their society or workforce are grossly misallocating their human resources, and compromising their ability to compete in the global economy.”

The report is available on USCIB’s website at [www.uscib.org/docs/2012\\_05\\_22\\_biac\\_gender\\_report.pdf](http://www.uscib.org/docs/2012_05_22_biac_gender_report.pdf). ■

### APEC Women in the Economy Forum

In June the State Department’s Office of Global Women’s Issues, in partnership with USCIB and the National Center for APEC, held the first APEC Women in the Economy Forum: Private Sector Working Group. The half-day workshop was attended by over 50 members of the private and public sectors, including many USCIB members who also participated on panel discussions. The workshop served to bring actionable recommendations and input from U.S. stakeholders to the APEC Women in the Economy Forum scheduled for June 28-30 in St. Petersburg, Russia.

The meeting, opened by U.S. APEC Senior Official Ambassador **Hans Klemm** and Ambassador-at-Large for Global Women’s Issues **Melanne Verveer**, looked at APEC’s work on four main pillars or priority areas: Access to Capital, Access to Markets, Skills and Capacity Building and Women’s Leadership. USCIB Executive Vice President **Ronnie Goldberg** led discussion on Access to Markets and brought attention to the OECD’s Gender Initiative and BIAC’s recently published report (see story above).

After the workshop, attendees joined USCIB and NCAPEC at a reception with **Lorraine Hariton**, the State Department’s special representative for commercial and business affairs. USCIB will work with NCAPEC to hold a de-brief with the State Department early next month to update members on the St. Petersburg meetings and discuss next steps leading to Indonesia as well as further plans for the working group.

## Experts Gather at Annual OECD Tax Conference

**H**ow do key emerging markets fit into the global taxation system? How can the Organization for Economic Cooperation and Development (OECD), national governments and global business best foster simplicity, effective problem-solving and appropriate tax policy tools for countries at different stages of development?

These were among the questions tackled at USCIB's annual tax conference, held June 4 and 5 in Washington, D.C. The sixth edition of this popular event, which sold out and achieved record attendance, focused on the work of the 34-nation OECD, a key global forum for discussion and coordination of national taxation policies. The annual event provides a unique opportunity for American business to interact with top representatives of the OECD's Center for Tax Policy and Administration (CTPA), as well as senior tax officials from the U.S. and other OECD countries.

"As emerging markets like China and India continue to attract significant inbound investment, increase their outbound investment, and grow their participation in global production and value chains, it is critical that their national tax policies work harmoniously with the evolving global body of tax treaties and related rules," said **Bill Sample**, corporate vice president for worldwide taxation with Microsoft Corp. and chair of USCIB's Taxation Committee.

Key issues addressed at the conference included the latest international developments affecting permanent establishments, transfer pricing rules, determining income from intangible property, and improving tax compliance and cooperation.

**Pascal Saint-Amans**, the CTPA's new director, emphasized three priorities: engaging with non-OECD countries, transfer pricing and tax policy. Among the members the G20, he noted, eight are non-OECD countries, and the OECD, as the standard-setter in international taxation, needs to engage with these important emerging economies. He noted that China is potentially interest-

ed in joining the OECD, while Brazil is engaging with the organization on transfer pricing. Overall, Saint-Amans predicted that the next generation of emerging economies would not have precisely the same interests as the big emerging economies, so the organization would need to adapt to new circumstances.

In keynote remarks, **Jose Fernandez**, assistant secretary of state for economic and business affairs, said fair and effective tax administrations served to spur private investment, and are an important way to complement official development assistance. He said the State Department viewed tax reform as an important part of the overall process of political reform, including in countries of the Middle East and North Africa emerging from autocratic rule.

"Informed, ongoing dialogue with the OECD secretariat and with OECD member states is crucial for global companies," according to **Carol Doran Klein**, USCIB's vice president and international tax counsel. "It's a testament to how seriously companies view these issues that the event was sold out weeks in advance."

The conference was co-organized by USCIB, the OECD and the Business and Industry Advisory Committee (BIAC) to the OECD, which officially represents the view of industry in the Paris-based body. ■



The OECD's Pascal Saint-Amans

### India's Retroactive Tax Proposal Assailed by Business

In April, faced with an Indian proposal to retroactively tax mergers and acquisitions as far back as a half-century, USCIB joined with other top business groups from North America, Europe and Japan in a letter to Indian Prime Minister **Manmohan Singh** protesting the move.

The proposal, contained in India's 2012 finance bill, could have a major dampening effect on foreign investment in the country. In their letter, the business groups wrote: "The sudden and unprecedented move in the Bill has undermined confidence in the policies of the Government of India toward foreign investment and taxation and has called into question the very rule of law, due process, and fair treatment in India. This is now prompting a widespread reconsideration of the costs and benefits of investing in India."

The letter, which garnered extensive coverage in the Indian and world press, was timed to coincide with the visit to India by U.K. Chancellor of the Exchequer **George Osborne**, who himself raised the issue with his Indian hosts. In addition to USCIB, the letter was signed by the Business Roundtable, Canadian Manufacturers & Exporters, Capital Markets Tax Committee of Asia, the Confederation of British Industry, the Japan Foreign Trade Council and the National Foreign Trade Council.

In June, despite promises of improvement from the Indian government, USCIB and other business groups said the proposal would still be extremely onerous. A letter from USCIB and other industry groups to Treasury Secretary **Timothy Geithner** explaining their opposition is available on USCIB's website at [www.uscib.org/docs/2012\\_06\\_13\\_india\\_tax\\_letter.pdf](http://www.uscib.org/docs/2012_06_13_india_tax_letter.pdf).



## New ILO Chief Reaches Out to Business

In May, **Guy Ryder** of the U.K. (pictured) was elected director general of the International Labor Organization, the first person with a trade union background to gain the ILO's top post. Ryder, currently the ILO's executive director for international labor standards, succeeds **Juan Somavia** of Chile, who has headed the ILO for the past 13 years. The ILO sets global labor and workplace standards, and serves as a forum for discussion of employment and related social matters. "Guy is both well known and well liked among employers at the ILO," said USCIB Executive Vice President **Ronnie Goldberg**, a member of the ILO's Governing Body. "We know we can work constructively with Guy on urgent issues of ILO management and reform, and we have every expectation of having a good working relationship with him." Ryder's first official engagement was to address the IOE's general council, where he stressed the essential role of employers in the ILO and pledged to lead the organization on behalf of all of its constituents. ■



**Business and Industry Advisory  
Committee to the OECD**

[www.biac.org](http://www.biac.org)



**International Organization  
of Employers**

[www.ioe-emp.org](http://www.ioe-emp.org)

## A First-Hand Look Inside the OECD

On April 16, **Charles P. Heeter, Jr.** (Deloitte), a USCIB board member and chairman of BIAC, led the fourth annual business visit to the OECD's headquarters in Paris. Executives affiliated with USCIB and several other business groups had the opportunity for off-the-record exchanges with OECD Secretary General **Angel Gurría** and other senior officials to discuss OECD's priorities and its role in coordinating economic policies among its 34 member states and other nations. The visit gave companies first-hand insight into the OECD, its structure and operations, and its work in important areas like financial regulation, international investment policy, the G20 process, anti-corruption initiatives, global trade, health policy, and labor and social issues. It also served as an excellent introduction to the BIAC process, through which business officials consult with the OECD and its member governments on an ongoing basis.

## New IOE Secretary General

In May, the IOE named **Brent Wilton** as its new secretary general, succeeding **Antonio Peñalosa**, who stepped down last November after 13 years of dedicated leadership. Mr. Wilton, who had been serving as acting secretary general during the interim, joined the IOE secretariat in 1999 as a senior adviser, having previously represented employers and manufacturers in Auckland, New Zealand, and as an employment lawyer. He was named the IOE's deputy secretary general in 2003. Mr. Wilton said he looked forward to consolidating the IOE's position as the global voice of business on social and labor policy, both in the International Labor Organization and in the increasing number of forums that influence the environment for enterprises large and small, wherever they operate.

### USCIB at Your Service

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**International Chamber  
of Commerce**  
www.iccwbo.org

## Smaller Companies Unaware of Their IP Assets

ICC organized a May 21 side event during the World Intellectual Property Organization's standing committee on patents to demonstrate how the patent system works to support research and development, technology transactions and innovation, using case studies from a Turkish university as well as Brazilian and German industry. "IP is not a legal issue – it is a business issue," one panelist, **Zeynep Birsnel**, director of the technology transfer office at Sabanci University in Turkey said. "Companies have to learn to align business and IP strategies. Most small- and medium-sized companies have no idea of the value of their IP assets and how they can protect them."

## ICC Emphasizes Business Priorities at UN Information Society Event

ICC and its BASIS (Business Action to Support the Information Society) initiative actively participated in the post- UN World Summit on the Information Society (WSIS) activities, held May 14-18 in Geneva. The week-long series of events included the WSIS action lines forum, open consultation for the preparations of the Internet Governance Forum (IGF) and meetings of the IGF multi-stakeholder advisory group, as well as a consultation on 'enhanced cooperation' convened by the UN Commission on Science and Technology for Development.



## Russia Trade Bill Applauded

In June USCIB applauded the introduction of legislation in the Senate to establish permanent normal trade relations (PNTR) with Russia, which it said is essential to ensure access for American exports and investments in this important emerging market as it joins the World Trade Organization. "Russian membership in the WTO is a long-sought goal of American and global business," said USCIB President and CEO **Peter M. Robinson**. "Now it is time for us to fulfill our end of the bargain. In so doing we can help ensure not only a level playing field for our exports and investments, and the many American jobs they support, but also help to advance the rule of law in Russia and cement a stronger U.S. partnership with the country."

Passage of the bill, which would repeal the 1974 Jackson-Vanik amendment, is necessary for American businesses to capitalize on new market access opportunities in Russia under the terms of its WTO accession. Russia is also taking steps to join the Organization for Economic Cooperation and Development (OECD). Through its membership in BIAC, the Business and Industry Advisory Committee to the OECD, USCIB is working to advise the OECD and its member governments on appropriate terms for Russian entry into the organization, and is assessing the potential impact for U.S. business of Russian OECD membership.

## Ex-Im Bank Reauthorization a Good Move for Exports

USCIB welcomed May's vote in the Senate to reauthorize the Export-Import

Bank of the United States. USCIB President Robinson commented that "failure to reauthorize Ex-Im's operations would have dealt a major blow to U.S. exports, potentially costing thousands of American jobs." In an earlier letter and ad that ran in Capitol Hill-focused media, USCIB joined with other leading business groups to make the case for Ex-Im's reauthorization. They sought to dispel many of the myths surrounding Ex-Im, noting that the bank has a proven record of success, provides significant assistance to SME exporters, fills a gap in financing for U.S. exports to developing countries and exposes U.S. taxpayers to very little risk – in fact returning some \$3.4 billion to the U.S. Treasury since 2005.

## Business Pushes for Ambitious Trans- Pacific Partnership

USCIB participated in an April Capitol Hill event, organized by the U.S. Business Coalition for TPP, highlighting the importance of the Trans-Pacific Partnership negotiations to promote competitiveness, job creation and higher living standards across all the TPP countries. Speakers at the event included U.S. Trade Representative **Ron Kirk**, Senate Finance Committee Chairman **Max Baucus** and ambassadors or their representatives from all the TPP countries. "The TPP negotiations are at an important crossroads," stated **Rick Johnston**, senior vice president with Citi, who is chair of USCIB's Trade and Investment Committee and co-chair of the TPP coalition. "Only by achieving a high-quality agreement will the benefits to our economies and our industries, workers and consumers be realized. And such an outcome requires U.S. leadership." ■

# USCIB Champions Business Interests in Global Antitrust

**A**s U.S. companies are increasingly subject to foreign regulators and the practices of non-U.S. investigative bodies, it is imperative to ensure adequate dialogue between the private sector and government antitrust enforcers, both in order to keep the lines of communication open and to ensure that industry is aware of the ever-evolving antitrust regulations to which they may be subjected.

To that end, **Charlene Flick**, USCIB's director of intellectual property and competition, took part in three important meetings in Rio de Janeiro in April: the International Competition Network (ICN) annual conference, an International Chamber of Commerce Roundtable on Competition Enforcement and Compliance, and "ICN in Brazil: The Changing World of Competition," sponsored by the International Bar Association.

Founded in 2001, the International Competition Network is an informal, virtual network that seeks to facilitate cooperation between competition law authorities globally. The Rio Conference focused on enforcement and compliance in competition law, including South American enforcement priorities and the business response, as well as company strategies to improve antitrust compliance.

USCIB now enjoys non-governmental advisor status in the ICN, which will increase our visibility and will allow more of our members to participate in its projects, regional workshops and annual meeting. ■

## Rill Honored for Contributions to Competition Policy

In April, Attorney General **Eric Holder** presented the 2012 John Sherman Award, the Justice Department's highest honor for antitrust, to **James F. Rill**, the vice chair of USCIB's Competition Committee, for his lifetime contributions to the development and enforcement of antitrust law and the advancement of antitrust policy internationally. Rill served as an assistant attorney general for antitrust from 1989 to 1992 and is currently a partner at Baker Botts LLP.

"Jim was a visionary on many antitrust fronts," said Acting Assistant Attorney General **Sharis A. Pozen**. "From issuing the first joint Department of Justice and Federal Trade Commission Horizontal Merger Guidelines in 1992, to negotiating the historic U.S.-European Union Antitrust Cooperation Agreement in 1991, his leadership and antitrust expertise is beyond compare. He is truly deserving of this award for his outstanding efforts on behalf of American consumers."

Rill chaired the BIAC (Business and Industry Advisory Committee to the OECD) Competition Committee from 2005 to 2007, and was vice chair from 1993 to 2005. Created in 1994, the John Sherman Award is presented by the Department of Justice's Antitrust Division to a person or persons for outstanding and substantial contributions to the field of antitrust law, the protection of American consumers and the preservation of economic liberty.



USCIB Competition Committee Vice Chair James Rill (right) accepts the John Sherman Award from Attorney General Eric Holder.

## The Big Idea: It's Time to Stop Investment Protectionism

*continued from page 5*

rights, and incorporating new obligations related to environmental protection and sustainable economic growth.

ICC has taken into account that governments are increasingly deploying FDI through state-owned enterprises and sovereign wealth funds. The new guidelines address the role of the state by setting out, for the first time, the principle of fostering competitive neutrality in cross-border investment. They also underscore the need to establish an effective means of upholding the rule of law relating to international investment, including through investor-state dispute settlement.

Resisting investment protectionism is essential to promoting economic growth. The G20 should establish appropriate rules, drawing on guidelines from international business, so that the global economy creates more opportunity, prosperity and hope for workers and entrepreneurs alike.

*Gérard Worms, Harold McGraw III and Victor Fung are respectively chairman, vice chairman and honorary chairman of the International Chamber of Commerce, the world business organization for which USCIB serves as the American affiliate. Mr. Worms also serves as vice chairman of Rothschild Europe. Mr. McGraw, who also serves as USCIB's chairman, is chairman, president and CEO of The McGraw-Hill Companies. Mr. Fung is chairman of the Hong Kong-based Li & Fung Group. James Bacchus, a former member of the U.S. House of Representatives and former chairman of the Appellate Body of the World Trade Organization, chaired the drafting group that revised the ICC Guidelines for International Investment. He co-chairs the global practice group at Greenberg Traurig.*

*The ICC Guidelines for International Investment are available on USCIB's website at [www.uscib.org/docs/ICC\\_Investment\\_Guidelines.pdf](http://www.uscib.org/docs/ICC_Investment_Guidelines.pdf). ■*

# New Secretary General of ICC International Court of Arbitration

The International Chamber of Commerce (ICC), the world business organization for which USCIB serves as the American national committee, has announced that **Andrea Carlevaris** has been named the new secretary general of the ICC International Court of Arbitration, succeeding **Jason Fry**, who is returning to private legal practice.

The ICC Court is the world's foremost body for the resolution of cross-border commercial disputes. USCIB plays an active role in promoting use of the system, nominating arbitrators, referring parties to attorneys, organizing training and conferences, and providing information on the arbitration process and other ICC dispute resolution services.

Having started his career with the ICC Court as counsel from 1999 to 2003, Carlevaris has been a member of the Court, representing Italy, for the last four years.

"It is very good news for the ICC Court and secretariat that Andrea Carlevaris has accepted the offer to succeed Jason Fry as secretary general," said **John Beechey**, president of the ICC Court.

"Jason has set the bar very high, and I am confident that Andrea will be more than equal to the challenge. He is well respected and, equally importantly, very well liked. I look forward to working with him to ensure that we continue to build upon the changes and achievements of the past four years and to which Jason has made so significant a contribution."



Andrea Carlevaris

Carlevaris said: "Thanks to the unrivalled expertise of its members and the dedication and professionalism of its secretariat, the ICC International Court of Arbitration is recognized as the most prestigious dispute resolution institution in the world, and one to which I am extremely attached. Taking a leading role in its management is for me a challenge and an honor." ■

## Upcoming Events for ICC North America

**July 17** - ICC/USCIB Young Arbitrators Forum (YAF) event, Baker & McKenzie, Chicago

**September 10** - Seventh Annual ICC New York Conference: Arbitration with States and State Entities Under the ICC Rules, Winston & Strawn, New York

**September 18** - ICC/USCIB YAF event, Weil Gotshal, New York

**October 30** - ICC/USCIB YAF event, Wilmer Hale, Boston

**November 10** - ICC YAF event, location TBD, Miami

**November 11-13** - Conference: "International Arbitration in Latin America: 10th Anniversary, ICC Perspective," Mandarin Oriental, Miami

## Court Plans North American Expansion

The ICC International Court of Arbitration's North American offices will soon be expanding and re-locating to a new space, becoming a full-fledged arm of the Court's Paris-based secretariat. Beginning this fall, the new office will consolidate ICC case administration and the educational and user outreach functions into one entity. A conference area will be made available to parties as hearing space for arbitration cases. The local presence will establish ICC as an increasingly active arbitration market in the U.S. and Canada.



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Rep. Nydia Velázquez (D.-N.Y.) congratulates award winners Kristin McDonough and Peter Bengston of the New York Public Library's Science, Industry and Business Library.

## U.S. and EU to Recognize “Trusted Trader” Programs

In May, USCIB welcomed an agreement by the United States and the European Union to recognize each other's cargo security programs, a goal long sought by businesses on both sides of the Atlantic. The U.S.-EU Mutual Recognition Decision officially recognizes the compatibility of the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) and the EU's Authorized Economic Operator (AEO) program. USCIB has long encouraged an agreement between the U.S. and EU that would recognize compatibility between the U.S. and EU cargo security programs.

“Today we congratulate CBP and the EU Taxation and Customs Union Directorate for delivering on the commitment of a mutual recognition agreement, and for continuing to build working partnerships of responsible industry leaders, governments and citizens,” said **Jerry Cook**, vice president of government and trade relations with HanesBrands, Inc. and chair of USCIB's Customs and Trade Facilitation Committee.

C-TPAT is a voluntary government-business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security. AEO is a foreign partnership program that is used as a risk-assessment tool, minimizes redundancy, helps provide a common standard for trade facilitation, and allows for better transparency by providing closer collaboration between national customs administrations and companies in their partnership programs.

## World Trade Week Celebrates Export Success

**T**he global trade community in New York gathered on May 14 to celebrate the contributions of international commerce to the region's success as World Trade Week was marked by USCIB and an array of pro-trade groups. Several innovative companies and organizations were honored at an awards breakfast hosted by Baruch College's Weissman Center for International Business.

**Rep. Nydia Velázquez** (D.-N.Y.) presented an export appreciation award to the New York Public Library's Science, Industry and Business Library, whose invaluable resources and expertise support international trade outreach and entrepreneurship. In her presentation remarks, Ms. Velázquez applauded the House of Representatives' vote to reauthorize the Export-Import Bank of the United States.

New York City Deputy Mayor **Robert Steel** delivered keynote remarks, noting that strong exports and presence of many international businesses had helped New York City to outperform the national economy since the 2008-09 downturn. He said the city needed to focus on continuing to generate high-quality jobs, and that Mayor **Michael Bloomberg's** administration was taking a number of steps to nurture a pro-startup environment, including the development of the new Cornell-Technion science and technology campus on Roosevelt Island.

**Cynthia Duncan**, USCIB's senior vice president for trade services, is a member of the World Trade Week 2012 steering committee. The ATA Carnet service, which helps exporters and others speed shipment of goods temporarily to more than 80 countries, duty-free and tax-free, was on display along with other USCIB services at a booth in the exhibition hall.

Other award winners included North Shore International Inc., Karp Associates, Inc., Action Environmental Group, B&H Photo & Electronics Corp., and the Westconn International Trade Association. Overall more than 300 people attended the awards breakfast, and many more took part in a series of informative events throughout New York City during World Trade Week. ■

## New Chair for Trade Committee

**Charles R. (Rick) Johnston**, director and senior vice president for international government affairs with Citi, is the new chair of USCIB's Trade and Investment Committee, which coordinates business advocacy among USCIB's hundreds of member companies, advises the U.S. government on key trade and investment matters, and drives broader international support for open markets. "We are very excited that Rick Johnston has agreed to lead USCIB's trade and investment policy work," said USCIB President and CEO **Peter M. Robinson**. "He brings strong leadership and a truly global perspective."

The International Chamber of Commerce (ICC) has elevated **Anthony Barone**, director of global logistics policy at Pfizer, to the chairmanship of its Committee on Customs and Trade Regulations. Having served a year as vice chair, Barone is set to advance the committee's work program, which focuses on simplifying and harmonizing customs policies and procedures so as to overcome barriers to trade.

At a May reception in Washington, D.C., USCIB members and staff bade farewell and gave a hearty "thank you" to **Stephen Canner**, who retired after 17 years of service in our Washington office. Coming to us following a long and distinguished career at the U.S. Treasury, Steve served as USCIB's vice president for investment and financial services, and more recently as senior advisor. His first-rate track record of advocacy on behalf of U.S. business resulted in a number of important achievements and helped to elevate investment policy to an equal footing with trade policy in terms of its importance to growth, jobs and development. Steve recently completed a term as chair of BIAC's investment committee, further underscoring his lasting influence on our policy work and that of our affiliates. An accomplished sailor who often treated fellow USCIB staffers to a day out on the Chesapeake, Steve brought good humor and boundless energy – not to mention keen insight – to his work. We wish him and his wife Sharon much happiness and happy sailing.



Stephen Canner

## New Department Joins Carnet and Other Trade Services

USCIB's ATA Carnet Department has been renamed the Carnet and Trade Services Department, reflecting new responsibility for promoting and selling ICC Books in the United States, and for our new **electronic certificates of origin (eCOs)** product. USCIB officially launched the eCOs product in March at the annual meeting of the National Customs House Brokers and Freight Forwarders Association. Certificates of origin, which are international trade documents attesting to the origin of specified goods, are often required to comply with import obligations, to obtain preferred duty rates and to meet letter of credit obligations. eCOs will broaden USCIB product offerings and touch a client base different in many ways than those already served by ATA Carnets and ICC Books. For more information, please visit [www.tradeservicesuscib.org](http://www.tradeservicesuscib.org).



### Global challenges need global solutions

While world leaders met in Mexico for the annual G20 Summit, business leaders too gathered to put their action plans on the table. Through the B20 process, led by the Mexican Organizing Committee, business brought its valued voice and broad experiences to help policy makers address critical challenges facing our world economy. Deloitte is proud to be a part of this effort; building a stronger and more stable global economy.

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## New USCIB Members

We are delighted to welcome the following companies and organizations as the latest additions to USCIB's diverse membership:

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**Jackson Lewis LLP**

To learn more about how USCIB membership can benefit your organization, contact **Alison Hoiem** (202-682-1291 or [ahoiem@uscib.org](mailto:ahoiem@uscib.org)).

## Seventh Annual ICC New York Conference

September 10, 2012

Winston & Strawn LLP  
New York City

At a time when arbitrations involving state parties are on the rise, many arbitration practitioners are left to grapple with nuances that are specific to this area. Arbitrations involving state parties generate certain issues that do not arise in traditional commercial arbitration between two private parties. This conference will bring together experts to discuss important topics that are unique to state-party arbitration, such as investment treaties, distinguishing contract rights from treaty rights, and the evolving role of arbitral institutions in this context. Arbitrators, mediators, legal practitioners, in-house counsel, and academics who wish to know more about developments in arbitration involving states and state entities should attend. Register at [www.iccnorthamerica.org](http://www.iccnorthamerica.org). For questions regarding the conference, please contact **Alexandra Akerly** ([aay@iccwbo.org](mailto:aay@iccwbo.org) or 212-703-5044). ■

Registration Now Open!

## The Economist Buttonwood Gathering 2012

October 24-25, 2012

The National Museum of the American  
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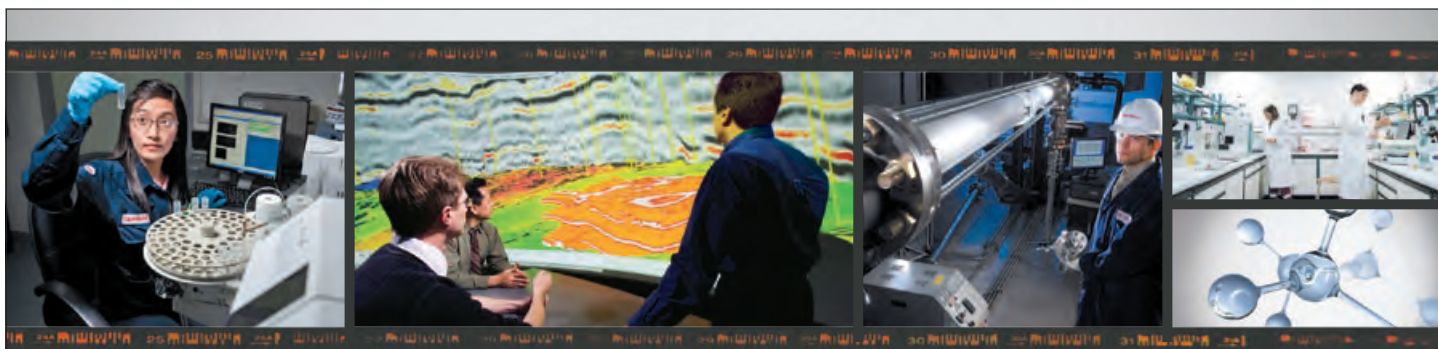
The global economy has been buffeted by crisis after crisis in the four years since the financial crisis took hold. But a new chapter may be unfolding. In the three most important regions of the global economy – China, Europe and America – there is either the reality or the possibility of new leadership and with it fresh ideas, new priorities and a different trajectory. This Economist event will bring together leaders in finance, economics, business, academia and government to discuss the challenges and opportunities of the next chapter of global growth. USCIB is once again a supporting organization for this informative event, and members are entitled to a significant discount on registration when using promotion code USCIB. For more information, please visit [www.buttonwood.economist.com](http://www.buttonwood.economist.com) or contact [Ida@economist.com](mailto:Ida@economist.com). ■

## 10th Annual Conference on International Arbitration in Latin America: The ICC Perspective

November 11-13, 2012

Mandarin Oriental Hotel  
Miami

A key forum for understanding international arbitration in Latin America, this event has become one of the most important gatherings for the Latin American arbitration community. Not only does it offer a line-up of top-class speakers, topical discussions and relevant news, but also an excellent opportunity to network. Last year's conference attracted an audience of 400 participants from over 30 countries. The theme chosen for this year's special edition is "Revisiting the Basics." A special seminar will focus on the World Cup and the Olympics as Brazil gets ready to host both events. Proceedings will be conducted in English, Portuguese and Spanish. USCIB members are entitled to a 5 percent discount when registering for this event online using the NC code USA-8796. Register at [www.iccnorthamerica.org](http://www.iccnorthamerica.org). For questions regarding the conference, please contact **Charlotte Strandberg** ([events@iccwbo.org](mailto:events@iccwbo.org)). ■



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calendar

**july 2012**

17	Chicago	ICC/USCIB Young Arbitrators Forum
18	Washington, DC	USCIB Customs & Trade Facilitation Committee

**september 2012**

7-8	Vladivostok	APEC CEOs Summit
10	New York	Seventh Annual ICC New York Conference: Arbitration with States and State Entities Under the ICC Rules
14	Lisbon	ICC Commission on Commercial Law & Practice
17-21	Nairobi	International Conference on Chemicals Management
18	New York	ICC/USCIB Young Arbitrators Forum
24-25	Geneva	ICC Commission on Trade & Investment Policy
29	Dublin	ICC Commission on Arbitration

**october 2012**

1-5	Mexico City	ICC Banking Commission
17	Paris	BIAC Economic Policy Committee
18	Paris	BIAC Tax Committee
25-26	Geneva	ICC Commission on Intellectual Property
30	Boston	ICC/USCIB Young Arbitrators Forum

**november 2012**

6 – 9	Baku, Azerbaijan	UN Internet Governance Forum
10	Miami	ICC/USCIB Young Arbitrators Forum
11-13	Miami	Conference: "International Arbitration in Latin America: 10th Anniversary, ICC Perspective"
22-23	New Delhi	ICC Commission on Taxation

**november/december 2012**

Nov. 26 – Dec. 7	Doha, Qatar	UN Framework Convention on Climate Change (COP 18)
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**december 2012**

3-14	Dubai	World Conference on International Telecommunications
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