U.S. COMMERCIAL SERVICE UPDATE

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MARCH/APRIL 2008 ISSUE





IN MEMORIAM

In Memory of Mike Carroll

We want to acknowledge the passing of Commercial Service Officer Mike Carroll on March 6. Mike was diagnosed with a rare form of cancer in late December. He served the Commercial Service in Israel, Indonesia and most recently in Venezuela. Mike was on domestic assignment with CS Northern Virginia and worked with the Partnership team at headquarters. Mike is survived by his wife Kathy and their daughter Lucia. Contributions, if desired, may be made to the American Cancer Society or the Audubon Society.

Mike began his assignment with CS Northern Virginia in September 2007. Previously, he served as the Commercial Attaché in Caracas 2004-2007. His core responsibilities in Caracas included promotion of U.S. information and communication technology exports, technical standards work, and counseling U.S. companies on market opportunities and trade barriers in the Venezuelan market.

Immediately prior to arriving in Caracas, Mike served as the Deputy Senior Commercial Officer in Tel Aviv from 2001 to 2004. In Israel he managed the government-government advocacy portfolio, technical standards work, and trade promotion to the Palestinian and Israeli Arab markets. He had previously served a three-year assignment as Commercial Officer in Jakarta, Indonesia, with responsibilities as Core Product Manager and Trade Promotion Officer. His Indonesia assignment also focused on technical



standards work, advocacy, and promotion of U.S. information and communications technology exports.

Before joining the Commercial Service, Mike was an International Economist with the U.S. Department of Agriculture's Foreign Agricultural Service in Washington, D.C. Prior to that, he had a thirteen-year banking career in Personal Trust and Investments with the Bank of America and First Tennessee Bank.

Mike held a post-graduate certificate in International Trade and a Master of Arts in International Transactions, both from George Mason University. He earned his Bachelor degree magna cum laude in English and American literature from Brown University.

TRADE NEWS



President Bush Speaks About International Trade in Florida

On March 18, President George W. Bush spoke at the Jacksonville Port Authority in Jacksonville, Florida. The president noted that the United States is the world's leading exporter of goods and services and now has 14 trade agreements in place, with more

pending. He also stressed the urgency of a vote on the Colombia Trade Promotion Agreement and its importance for U.S. small and medium-sized companies. To read the speech, visit www.whitehouse.gov/news/re-leases/2008/03/20080318-4.html.

On March 18, President George W. Bush spoke at the Jacksonville

Port Authority

ITA Under Secretary Briefs Reporters on the Colombia Trade Promotion Agreement

Following President Bush's remarks on the Colombia Trade Promotion Agreement on March 18, Under Secretary for International Trade Christopher Padilla briefed reporters at the White House about the benefits of the agreement. The agreement levels the playing field for American businesses, farmers

and workers whose products currently face high tariffs entering the Colombian market, while most Colombian exports to the United States face no duties at all. The agreement also strengthens our country's relationship with a key ally in Latin America.

Bush Administration Delivers Annual Trade Report to Congress

On March 4, the Bush administration delivered two important trade-related documents to Congress: the 2008 Trade Policy Agenda and the 2007 Annual Report of the President of the United States on the Trade Agreements Program. The report highlights the administration's 2007 accomplishments of opening new markets, developing and implementing new policies, and enforcing U.S. trade agreements to ensure trade is free and fair.

"President Bush's accomplishments of opening markets at every opportunity have advanced the pro-growth benefits of free and fair trade," said U.S. Trade Representative Susan C. Schwab. "Through negotiations for reciprocal access bilaterally, regionally and multilaterally—and tough enforcement to ensure that our trading partners must keep their promises of open markets—the past seven years have reaped record exports, job creation, growth and productivity."

TRADE NEWS

Australia ranks
as the 15th-largest
market for U.S.
merchandise exports

March Market of the Month

March's Market of the Month is sub-Saharan Africa, featuring Ghana, Nigeria and South Africa. Sub-Saharan Africa, with its burgeoning consumer base of 650 million, political stability and economic reforms, has market potential that is growing. U.S. exports increased by 30% from 2006 to 2007, driven mainly by increases in parts for oil field equipment, vehicles and parts, aircraft, wheat, platforms for offshore oil drilling, non-crude oil and medical equipment. As

the markets in sub-Saharan Africa continue to show substantial growth and potential, Ghana, Nigeria and South Africa stand out as particularly advantageous destinations for U.S. exporters seeking to leverage business opportunities in this exciting region.

To read more about this market, its opportunities and its challenges, and to learn about best prospects, please visit export.gov/articles/Africa MOM.asp.

April Market of the Month

April's Market of the Month is Australia. Despite a population of 21 million, Australia ranks as the 15th-largest market for U.S. merchandise exports, creating an annual trade surplus of \$10 billion for the United States. Australia has one of the world's best financial, legal and political systems; a world-class infrastructure; advanced communications networks; modern land, sea and air connections; and strong intellectual property protection. It also has a high per capita income, an advanced industrial base and a 16-year growth record—all of which generate substantial purchasing power. The recent Australia-U.S. Free Trade Agreement, coupled with the strength of the Australian currency, has created unlimited opportunities in this resilient economy. Australia has few barriers to entry, a familiar legal and corporate framework, sophisticated consumer



and industrial demand, and a straightforward, English-speaking, business culture. Best prospect sectors include tourism, oil and gas, renewable energy, environmental technologies and medical device sectors.

To read more about this market, its opportunities and its challenges, and to learn more about best prospects, please visit export.gov/articles/mom_australia.asp.

BEST PRACTICES

This first-ever
multi-country SCP
was coordinated
by CS Hong Kong

Asia Now Regional Program Provides Access for U.S. Companies

Under the Asia Now Program, several Commercial Service posts in Asia launched a regional, 11-city Single Company Promotion (SCP) Program for Juniper Networks, a Silicon Valley-based network and security solutions provider. This first-ever multi-country SCP was coordinated by CS Hong Kong, providing the client with seamless access to Hanoi, Taipei, Singapore, Bangkok, Sydney, Beijing, Bangalore, Mumbai, Kuala Lumpur and Jakarta. This "one-stop shopping" approach helped the client conveniently execute a multi-country marketing campaign, while maintaining consistency and quality throughout the region.

The SCPs were customized for each market, but they were based on a uniform framework: For each SCP, the in-country CS office organized and hosted a luncheon seminar and included 15–30 of Juniper's target customers in the audience. These customers were decision-makers that Juniper could not have otherwise reached without CS assistance. The in-country offices ran the individual SCP programs, and CS Hong Kong managed the client through its Asia Regional Headquarters.

Just one concrete example of the success of Juniper's SCP program can be seen in this example: Ambassador Michael W. Marine hosted an executive luncheon event in Hanoi, Vietnam, with 13 guests and five local news reporters. Shortly thereafter, Juniper



reported that as a result of the event, they had secured a contract with the Ministry of Finance—one of the attendees at the luncheon—worth \$1 million. This program helped Juniper's Hong Kong-based regional sales office tap into resources and support they simply never knew existed.

Internal coordination was accomplished by setting a standard for budgeting and pricing and by sharing cross-market experiences and best practices. Most importantly, this regional approach established a channel to introduce clients across multiple markets, allowing them to maximize their client traffic and their potential export success. Furthermore, total revenue generated from this program exceeded \$60,000, with at least \$18,000 in user fees alone. The convenience and effectiveness of the program has already led to the start of Phase II, which includes programs in other posts in the regions described above.

FEATURE



Intellectual Property Rights

ITA's Office of Intellectual Property Rights (OIPR) not only monitors the implementation of bilateral and multilateral intellectual property trade agreements worldwide, but also assists small and medium-sized businesses (SMEs) in protecting their intellectual property rights (IPR) in the United States and abroad. To do so, OIPR regularly works with MAC country desk officers, USEACs and FCS officers to accomplish the following:

- Identify IPR-related trade barriers
- Raise industry concerns regarding IPR regulation and enforcement with U.S. trading partners
- Counsel American companies on trading partners' IPR obligations under trade agreements to which the United States is a party

Additionally, OIPR has effectively undertaken numerous initiatives to educate SMEs about the importance of protecting their IPR domestically and abroad, and has developed a number of U.S. government (USG) resources to assist them. This year, for example, OIPR has showcased valuable IPR protection and enforcement information for SMEs on Export.gov; led training sessions for IPR attachés, commercial officers and economic officers; coordinated webinars on country-specific IPR challenges and resources; and briefed companies on current industry-specific IPR issues.

There are several great resources that SMEs and USG alike will find useful in understanding and supporting IPR protection and enforcement worldwide:

Web Site and Hotline: The Department of Commerce (DOC) launched <u>www.StopFakes</u>.

gov to provide updates and links to the new STOP! anti-piracy and anti-counterfeiting programs. The site allows businesses to file complaints about IPR-related trade problems, which an OIPR trade specialist answers within ten days. DOC also established the STOP! hotline at 866-999-HALT (toll-free), answered by IPR experts at the Patent and Trademark Office (PTO). These experts work with OIPR to help businesses secure and enforce their IPR through international treaties.

Country IPR Toolkits: OIPR, PTO and U.S. embassies have developed country toolkits—posted on embassy Web sites and on www.StopFakes.gov—that contain detailed information on protecting IPR in Brazil, Brunei, China, Korea, Mexico, Malaysia, Italy, Peru, Russia and Taiwan. To expand the program, OIPR is working with PTO, the State Department and software developers to create a toolkit template, for broader dissemination and to encourage more U.S. embassies to collect and post similar information.

Online SME IPR Training Tutorial: With the help of PTO, the Small Business Administration and the Foreign Commercial Service, OIPR has developed an online training program to teach SMEs to evaluate, protect and enforce their IPR. The free tutorial, called <u>Understanding Intellectual Property Rights</u>, is open to the public.

For assistance on any IPR-related topic, including those discussed above, please feel free to contact Susan Wilson; director; <u>Susan.Wilson@mail.doc.gov</u>.

CS INITIATIVES



New User Fee Schedule

On May 1, 2008, the Commercial Service (CS) will implement a new user fee schedule that links to Balanced Scorecard strategic objectives for improving customer experience and optimizing financial availability. The new fees for our standardized services will keep CS programs and services within reach of small and medium-sized enterprises (SMEs), and will provide an incentive for new-to-export SMEs to use CS services for the first time. Large companies, on the other hand, will be required to cover the full cost of services provided to them. Fees for customized services will be calculated using a fee template similar to the one currently being used for offerings such as the Platinum Key Matching Service and trade missions. Using the new fee schedule, the CS's value proposition—professional content at a reasonable price—remains strong.

The new fee schedule will replace the current four-band model and will better align with our congressional mandate to promote the export of goods and services from the United States, particularly by SMEs. We will have one standard fee for SMEs and one fee

for large companies. Using a standard fee schedule worldwide will eliminate client confusion and simplify our administrative processes. This will give us more time to directly support exporters, and it will provide clients with a better customer experience.

CS also wants to encourage participation among its partners, new-to-export SMEs and appropriate foreign companies. Therefore, CS will offer an incentive fee for new-to-export SMEs that use our services for the first time; details on this program will be provided soon. We will also extend SME-level fees for both standardized and customized services to states, cities, other local governments, trade associations and partners. Finally, to spur participation from qualified foreign companies, CS will treat foreign companies that are not state-owned as SMEs when working on reverse services, such as the Reverse Gold Key.

Guidance and training on the new fee schedule will be provided in March and April. Please check <u>OurPlace</u> and watch your email for opportunities to learn more.

Do We Need to Fix the Contact List Service?

There are concerns among international posts about the effectiveness of unscreened foreign company contact lists sold by the Commercial Service, and there are complaints from clients regarding contact list quality and inconsistencies among posts. Some posts provide only screened contact lists, whereas others offer the option of unscreened lists. Additionally, the type of contact information that is provided varies from post to post.

The Product Enhancement team invites the ODO and OIO field staff to voice their opinions about the Commercial Service contact list services. We will use your feedback to explore the option of eliminating unscreened contact lists and improving screened contact list services.

Please <u>share your insight with us</u> by May 2.

PARTNERS



Commercial Service Welcomes New Corporate Partners

In March, the Commercial Service welcomed three new corporate partners: TD Banknorth, the United States Postal Service (USPS) and City National Bank. These key partners offer world-class assistance in international trade logistics, export financing, risk management and more. As a critical part of the CS's Corporate Partnership Program, they are dedicated to helping SMEs succeed in every step of the international trade process. We are pleased to be working with these organizations, and we will be announcing more partners next month.

TD Banknorth is a leading banking and financial services company headquartered in Portland, Maine. It is a wholly-owned subsidiary of TD Bank Financial Group of Toronto, Canada, with banking divisions in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania and Vermont. Its international banking service specializes in trade finance, foreign currency risk management, foreign currency conversions and letters of credit. The bank's

extensive domestic retail banking network consists of nearly 600 branches.

The United States Postal Service (USPS) is an independent agency of the executive branch of the federal government. The USPS has over 200 years of transportation logistics experience and is geographically positioned to assist all SMEs with international shipping needs.

City National Bank (CNB) is a world-class commercial and private bank headquartered in Los Angeles, California. CNB has 63 offices, including 15 regional centers located in California, Nevada and New York City. Serving over 112,000 clients, the company specializes in commercial lending, private banking, cash management, international banking and wealth management. CNB is a delegated authority lender of the U.S. Export-Import Bank and is capable of providing up to \$7.5 million in government-backed working capital to domestic companies seeking to export their products and services.

Telling Our Story

Securing space in a major U.S. metropolitan daily newspaper opinion-editorial (op-ed) page is not easy, largely because it is among the most highly read sections.

Recently, the Commercial Service Marketing and Communications office scored space in seven major dailies with an opinion piece under the byline of the U.S. Ambassador to Mexico Tony Garza. The piece was targeted at newspapers in states and regions along the

border with Mexico, and focused on the importance of U.S. exports from these regions and future export opportunities. The piece also served as a reminder of the importance of our economic relationship with Mexico, while mentioning a CS client success story and the services offered by the CS.

Interested in this media strategy? Let us know how we can work together to Tell Our Story. E-mail <u>Curt.Cultice@mail.doc.gov</u>.

TEAMS

I&CT offered U.S.
companies a comprehensive exporting program
on April 13 during
the NAB 2008
trade show

How to Help Exporters, Generate Revenue and Work With Partners

In conjunction with the National Association of Broadcasters (NAB) and the Arizona District Export Council (DEC), the Commercial Service Global Information and Communications Team (I&CT) offered U.S. companies a comprehensive exporting program on April 13 during the NAB 2008 trade show in Las Vegas. This program—the Global Matching Reception (GMR)—was sponsored by the Arizona DEC. Held the night prior to the trade show, the GMR gave participating exhibitors and foreign buyers a chance to meet and conduct business in an informal environment.

This was a significant opportunity, as the Commercial Service's International Buyer Program attracts more than 1000 foreign buyers, and those that attend the GMR strengthen their business relationships with U.S. exporters.

There were approximately 30 exhibitors, with plans to expand the program due to its success. The small GMR exhibiting fee pays for the reception and provides the I&CT team with more funding for the budget as well as full cost recovery, which can then be used to offer additional exporting programs.

This is an innovative, value-added program that the I&CT team has orchestrated through a trade show, one that enhances the ability of U.S. companies to fulfill their exporting needs. It is also a great example of a way to generate revenue and work with partners.

World Trade Month

With a couple of weeks to go before the May 1 kickoff of World Trade Month, it is time to start planning and promoting for international trade's biggest month, if you haven't already begun. This year's theme is promoting free and fair trade, with a primary focus on free trade agreements (FTAs). During such an important time of year, we expect each region, network and team to have a series of events throughout the month of May. These can be previously scheduled events with Commercial Service participation, or they might be events and activities that you plan specifically for World Trade Month.

As you prepare for World Trade Month, please let us know how we can support you in providing marketing assistance and speakers. We would also like to feature your event on Export.gov. Please send your ideas and events to WorldTradeMonth@mail.doc.gov so we can keep track of all activities and events relating to international trade in May. If your event is domestic and FTA-related, please remember to copy Lauren Harvey on all e-mails. Also, don't forget to include your name and office. We look forward to hearing from you.

TRADE EVENTS



Milestones for Developing the 2009 Trade Promotion Event Program

The process has begun: we are now developing the ITA Trade Events Program Calendar for events scheduled to take place January 1 through December 31, 2009. Depending on your role, here's what you should have received so far:

- Annual Trade Event Promotion Cable (US-DOC 2148): sent to all posts (March 10, 2008)
- Follow-up email: OIO and ODO personnel only (March 12, 2008)
- More extensive e-mail: Import Administration, Manufacturing and Services, and Market Access and Compliance points of contact only (This e-mail contained a copy of the Milestone for Developing Calendar Year 2009 Trade Promotion Event Program Cable, instructions on how to enter a trade event proposal into eMenu and the guidelines for describing an event.)

The type of events you should submit proposals for are as follows:

- Trade missions
- · Certified trade missions

- Trade fairs (including trade fair certification and regular trade fairs where you would be selling booth space, with the funds deposited with CS)
- Catalog events and trade promotion events

Some of the highlighted dates from the cable include:

- April 18: Post trade event proposals are due in eMenu.
- May 2: GTP, IA, MAC, MAS, ODO field and ITA team trade event proposals are due in eMenu.
- May 5-May 12: All ITA units should enter comments in eMenu in reference to other units requesting their recruitment support or event hosting assistance.
- June 16: Calendar will be approved in eMenu.

Questions? Contact your trade event coordinator or country manager for OIO: <u>Jerry.Jones@mail.doc.gov</u> for GTP; <u>Laura.Hellstern@mail.doc.gov</u> for ODO; <u>Brad.Anderson@mail.doc.gov</u> for teams.

Trade Missions Help U.S. Businesses Succeed in Global Markets

Fiscal Year 2006

- The Department of Commerce initiated and supported 12 Trade Missions and 28 Certified Trade Missions.
- 550 U.S. firms traveled to 37 overseas markets.
- 374 export successes, valued at \$230.2 million, were reported in FY06 for Trade Missions and Certified Trade Missions.

Fiscal Year 2007

- The Department initiated and supported 14 Trade Missions and 23 Certified Trade Missions.
- 500 U.S. firms traveled to 29 overseas markets.

• 411 export successes, valued at \$120.7 million, were reported in FY07 for Trade Missions and Certified Trade Missions.

Fiscal Year 2008

- The Department initiated and supported six Trade Missions 16 Certified Trade Missions.
- 360 U.S. firms traveled to 19 export markets.
- To date, 60 export successes, valued at \$69.3 million, from Trade Missions and Certified Trade Missions.

EMPLOYEE NEWS



New Employees

Todd GerkenDirector,
CS Savannah

Danielle Rust International Trade Specialist, CS Cleveland

Theo Hunte

International Trade Specialist, CS Philadelphia

Patricia Cook

International Trade Specialist, CS Des Moines

New Foreign Service Officers

Linda Caruso CS Warsaw, Poland Matthew Hilgendorf CS Mexico City, Mexico

Retired Employees

Ann Watts
Director,
CS Columbia

Jayne Woodward
International Trade Specialist,
CS Columbia

Pat Holt

International Trade Specialist, CS Shreveport

William Spitler
Director,
CS New York