# International Trade

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September 2007

### Promoting Trade Expansion with Central Asia

Both the opening of a new bridge across the Pyanj River, which connects to highway networks in Tajikistan and Afghanistan, and a conference on transportation infrastructure in the region highlight the importance of trade links in Central Asia.

BY ELLEN HOUSE

ntil recently, the main way for cargo to cross the Pyanj River from Nizhny Pyanj, Tajikistan, to Sher Khan Bander, Afghanistan, was by a small ferry that ran only part of the year, and the ferry was limited to carrying about 50 trucks per day. This situation should change dramatically with the completion of a new, two-lane road bridge that is capable of carrying 1,000 vehicles per day, as well as with the opening of major customs posts in both countries.



Left to right: Hamid Karzai, president of Afghanistan; Emomali Rahmon, president of Tajikistan; and Carlos M. Gutierrez, secretary of commerce, walk across the Pyanj bridge as part of a dedication ceremony on August 26, 2007. The bridge between Tajikistan and Afghanistan is expected to expand trade links in the Central Asian region. (U.S. Department of Commerce photo)

"As much as the Silk Road was integral to great civilizations in the past, the byways of this region are again proving to be a crossroads for commerce, peace, and stability," remarked Secretary of Commerce Carlos M. Gutierrez at a dedication ceremony for the new bridge on August 26, 2007. "This bridge is an important part of our broader commitment to develop the physical, legal, and economic infrastructure needed to support regional trade and economic activity."

Participating in the dedication ceremony with Gutierrez, who was representing President George W. Bush, were Emomali Rahmon, the president of Tajikistan, and Hamid Karzai, the president of Afghanistan.

The bridge was built largely with U.S. funds, but it also had financial and technical support from the European Union, Japan, and Norway. It symbolically and physically links Central Asia and South Asia, and it will be an important tool for the future economic development of the entire region.

### **Wider Transportation Challenges**

In Central Asia, inadequate transportation infra-

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### **Ensuring That Global Competitiveness Starts at Home**

Admiral William G. Sutton, the Commerce Department's newly confirmed assistant secretary for manufacturing and services, answers questions about the role of his office in ensuring the continued strength of U.S. industry in the world.

As globalization continues to shape international commerce, I see
U.S. global competitiveness starting right

William ("Woody") G. Sutton, assistant secretary of commerce for manufacturing and services

here at home.

n August 3, 2007, before breaking for summer recess, the Senate unanimously confirmed Admiral William ("Woody")
G. Sutton as the Commerce Department's assistant secretary for manufacturing and services. In the position, Sutton will head the Manufacturing and Services (MAS) unit of the International Trade Administration.

Previously, Sutton served for five years as the president of the Air-Conditioning and Refrigeration Institute. However, MAS's new assistant secretary is no stranger to government service. Sutton had a distinguished 30-year career in the U.S. Navy, retiring in 2000 with the rank of rear admiral.

Recently, Sutton sat down with Matt Braud, the communications director of MAS, to discuss his experiences, his thoughts about U.S. competitiveness, and the role of his office.

Braud: How do you plan on advocating for the interests of two distinct industry sectors—manufacturing and services?

Sutton: If you think about it, they're not that distinct. Manufacturing and services complement each other. Each enhances the other's competitiveness in the global marketplace. I believe that recent advances in technology, productivity, logistics, and financial sophistication have fully and inextricably linked these two sectors. They have merged in a way that enables America's industries to compete successfully across a wide range of businesses.

Both sectors are also critical components of the U.S. economy. I understand the services sector is integrated into our economy and will ensure that it receives appropriate consideration, focus, and resources when providing input to the policy-makers.

Braud: How has your experience as a trade association executive prepared you for this job?

Sutton: The Air-Conditioning and Refrigeration
Institute (ARI) is the trade association for a sector that generates \$30 billion a year in revenue for U.S. manufacturers. During my tenure, I visited over 80 plants of all shapes, sizes, and levels of sophistication. Some were mom and pop operations; others were global conglomerates. On all of these visits, I saw one common thread: U.S manufacturers can compete successfully with anybody, given a level playing field.

ARI represents its members in the federal and state regulatory processes [by] developing performance standards and [by] administering equipment certification programs. It concentrates on other issues, including market access, intellectual property rights, and tariffs, because its members constantly wrestle with the increasing costs of manufacturing and growing global competition. Basically, the industry I represented, and the issues it faces, symbolize a microcosm of what is happening to U.S. industry at large.

Braud: How do you envision and understand the role of the Manufacturing and Services unit?
Sutton: MAS plays a number of valuable roles in strengthening competitiveness. Its responsibilities as the lead advocate for the manufacturing and services industries are critical. I picture this office as a bridge between industry and the government.

Through the advisory committees and councils, such as the Manufacturing Council, we give U.S. industry a prominent seat at the policy-making table.

My background with U.S. industry has given me a true understanding of what MAS can be doing in a broader sense. Every policy, regulation, or law should be made with an eye toward competitiveness. MAS, along with the other units of the International Trade Administration, can improve our market-driven economy and help determine the future of globalization.

I would also like to stress that our way of doing business, in a market-driven economy, should be our No. 1 export. That is one of the best ways for us to stay competitive in a global economy.

Braud: As assistant secretary, in what ways can you draw on your experience in the Navy?

Sutton: My service in the Navy helped me develop leadership, management, and executive skills that carry over to this position. After 30 years in the Navy, I learned to adapt quickly and hit the ground running in a wide variety of leadership posts.

Furthermore, I learned that freedom of the seas facilitates trade. Our founding fathers understood this concept when they stated that [the United States would] maintain a Navy.

Braud: How do you view your tasks, responsibilities, and mission as assistant secretary? And what can you do to make a difference during your term?

Sutton: I will focus the office on providing practical and actionable input to the regulatory and policy processes. As globalization continues to shape international commerce, I see U.S. global competitiveness starting right here at home.

We have an opportunity to decrease the premium that U.S employers pay to operate here in the United States. My goal will be to help develop and maintain an environment in which the smart business decision for any U.S company will be to open



William ("Woody") G. Sutton (right), new assistant secretary of commerce for manufacturing and services, speaks to a meeting of manufacturers in Jackson, Michigan, on September 10, 2007. (U.S. Department of Commerce photo)

or expand an operation right here.

The voice of the U.S manufacturing and services worker must be heard. I intend to establish MAS as the primary office for evaluating policy impacts on the domestic and global competitiveness of U.S. industry.

We have a highly competent staff of industry experts and analysts who provide critical data focused on competitiveness. Together, we can aid Congress, industry stakeholders, and the federal agencies with the complex issues created since the evolution of globalization.

### Promoting Trade with Central Asia

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structure and administrative barriers, such as difficult visa and customs regimes, have long hindered the growth of trade and foreign investment. The bridge is but one part of ongoing U.S. work with countries in the region to address some of those issues.

Another important event took place on May 7, 2007, when the Department of Commerce sponsored the Central Asia Transportation Infrastructure Conference in Dushanbe, Tajikistan. The conference included participants from Afghanistan, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and the United States.

Paul Dyck, deputy assistant secretary of commerce for Europe, opened the conference by explaining the U.S. government's desire to expand U.S. trade links with Central Asia while reducing trade and investment barriers. "The number of potential beneficiaries from improved transport links is vast as these links are critical to economic development and integration into the world economy," said Dyck.

The conference brought together a diverse group of more than 80 people representing governments, multilateral organizations, and private-sector firms involved in the road and aviation sectors. Among the latter were two U.S. firms, Caterpillar and Hoffman International, which made presentations on their equipment and services. Other presenters outlined ongoing and proposed transportation projects, shared experiences on best practices, contributed knowledge about local and regional obstacles to implementation, and discussed steps to increase trade and cooperation.

### **Concrete Ideas and Opportunities**

The May conference also sought to identify and expand opportunities for U.S. firms to participate in projects, to build new trade links, and to develop cooperative ventures with local trade officials.

Attendees capitalized immediately on the new contacts that were made. For example, the director of the Kabul Airport and the representative of the

Federal Aviation Administration in Kabul identified several operational principles that could be implemented in Kabul after they toured the Dushanbe airport. Kazakh and Kyrgyz aviation officials agreed to consult on possibilities for increasing flight frequencies between Kazakhstan, Kyrgyzstan, and Tajikistan. Also, a U.S. investor who is considering an intermodal project in Tajikistan made some key contacts and talked to a potential joint venture partner.

### **Part of Wider Effort**

The Commerce Department's May conference was the first major U.S. government event to address deficiencies in Central Asia's transportation network. It contributed to the South and Central Asian regional economic integration initiative that was first announced by Secretary of State Condoleezza Rice in October 2005. The initiative seeks to foster economic development by creating new trade, transportation, communication, and energy links. Building internal and external transportation links is critical for sustaining economic growth, expanding trade, and reducing poverty. They are key elements of the U.S. strategy for strengthening South and Central Asian countries.

Other regional development efforts include the Central Asian trade and investment framework agreement (TIFA), which held talks in Washington, D.C., on July 17, 2007. A follow-up event was held on July 18. The Commerce Department and the U.S. Chamber of Commerce organized the event, which brought together Central Asian trade ministers with U.S. companies interested in the region. The event specifically highlighted business opportunities for U.S. firms in the transportation and energy sectors. The Commerce Department has tentative plans for another private-sector event to coincide with the next round of the TIFA talks, which are scheduled to take place in Central Asia in June 2008.

Ellen House is the Central Asia desk officer in the International Trade Administration's Market Access and Compliance unit.

As much as the Silk Road was integral to great civilizations in the past, the byways of this region are again proving to be a crossroads for commerce, peace, and stability.

> Secretary of Commerce Carlos M. Gutierrez

### Creating an "Export Culture" in the United States

Testifying before the U.S. Senate, Secretary of Commerce Carlos M. Gutierrez detailed strategies that are helping U.S. companies expand in the global marketplace.

BY DAVID LEVEY

trengthening the U.S. economy, and the role that international trade plays in it, was the focus of recent testimony by Secretary of Commerce Carlos M. Gutierrez to the Senate Committee on Commerce, Science, and Transportation. When he spoke to the committee on August 1, 2007, Gutierrez noted that "trade accounted for 17 percent of world GDP [gross domestic product] in 1986. Last year, it accounted for 29 percent. We are trading and engaging more—but so is everyone else. That is why we must be focused on the growth and competitiveness of the U.S. economy." Gutierrez also referred to the role played by the Commerce Department, and he pointed out, "One important way in which we are strengthening our overall economic position is by creating an export culture in our country."

### **Commerce Efforts Encourage Trade Growth**

Gutierrez noted a number of ways that the Department of Commerce, and the International Trade Administration (ITA) in particular, is working to promote this export culture. ITA is targeting priority markets and industries with a high potential for export growth and is focusing its efforts on them. Those efforts include clean energy technology trade missions to China and India in April 2007, as well as a high-level business development mission led by Gutierrez to China in December 2006. Another mission is scheduled for Vietnam in November 2007.

### **National Export Strategy**

Although trade missions are important for introducing U.S. companies to new markets, they are just one aspect of the federal government's trade promotion



Secretary of Commerce Carlos M. Gutierrez speaks at a trade rally on Capitol Hill on September 10, 2007. He participated with other members of the cabinet in the launch of a campaign to pass pending trade agreements and to boost U.S. exports. (U.S. Department of Commerce photo)

efforts. Many additional resources are detailed in *National Export Strategy*, the recent report of the Trade Promotion Coordinating Committee. Those resources include reducing trade barriers, opening new markets, encouraging investment, and ensuring a level playing field.

## Reducing Trade Barriers with Free Trade Agreements

Reducing trade barriers is a key component of U.S. trade policy. One of the most effective ways to do so is through the negotiation of free trade agreements (FTAs). Fourteen FTAs are now in effect, and an additional four—with Colombia, Panama, Peru, and South Korea—are awaiting approval by Congress. Gutierrez noted that the "agreements, if approved, [will] provide further access to 126 million consumers, with a combined GDP of \$1.1 trillion."

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### **News From The International Trade Administration**



John Kufuor (left), president of Ghana, and Susan Schwab (right), the U.S. trade representative, at the opening of the sixth AGOA Forum in Accra, Ghana, on July 18, 2007. (U.S. Department of State photo)

### **U.S.-Africa Trade Is Focus of Conference**

Prospers: Optimizing the Benefits under AGOA," the sixth African Growth and Opportunity Act (AGOA) Forum met on July 18–19, 2007, in Accra, Ghana. The meeting brought together participants from government, non-governmental organizations, and civil society. The AGOA was signed into law in 2000, with the aim of focusing on trade, in addition to aid, to assist development in Sub-Saharan Africa. The law offers tangible incentives for African countries to continue to open their economies and to build free markets.

Susan C. Schwab, the U.S. trade representative, led the U.S. delegation to the AGOA Forum. Holly Vineyard, deputy assistant secretary for Africa, the Middle East, and South Asia, led the Department of Commerce's delegation.

Vineyard spoke at a plenary session focusing on the development of small and medium-sized

enterprises (SMEs). She noted that the World Bank's *Doing Business 2007* report promised progress in Africa, but that much work remained to attract domestic and foreign investment. "We need to encourage entrepreneurship and innovation, so it is incumbent among policy-makers to shape an enabling environment." She specifically pointed out the regulatory obstacles to opening a business, the need to allow businesses to recover from failure, and the lack of infrastructure—a problem that disproportionately affects SMEs.

Other topics Vineyard addressed included how important the telecommunications sector is in spurring economic activity and how the Commerce Department has been working with several African countries to strengthen the rule of law through the department's Commercial Law Development Program.

During the conference, Vineyard also announced a new multiyear agreement between the U.S. Agency for International Development and the Department of Commerce to support programming on the protection and enforcement of intellectual property (IP) rights in Africa. "Governments should consider the protection and enforcement of IP [rights] as a development tool, both in fostering their own artists and industries as well as in attracting foreign direct investment and trade," she said.

For more information on the AGOA, visit its Web site at www.agoa.gov.

### **Departing Deputy Secretary Honored**

After two years as deputy secretary of commerce and more than six years at the Department of Commerce, David A. Sampson left government service on August 24, 2007, to join the Property and Casualty Insurers Association of America. Sampson joined the administration in 2001 after serving then-governor George W. Bush in a variety of economic development roles in Texas. In Washington, D.C., Sampson led the Economic Development Administration, which is part of the Department of Commerce, from 2001 through 2005.

When Carlos M. Gutierrez became secretary of commerce in 2005, he asked Sampson to help him manage the broad portfolio of the department and to guide it during a time of great economic change. As deputy secretary, Sampson provided oversight for day-to-day affairs, which included human resources, budgeting, and security matters for a department with nearly 40,000 employees and a \$6.5 billion annual budget. Sampson also served on a wide variety of boards and working groups, including the President's Management Council and the Interagency Working Group on Climate Change. In addition, Sampson represented the Department of Commerce both domestically and internationally by promoting policies and programs that have kept the economy strong, and he placed special emphasis on increasing U.S. exports and enhancing competitiveness.

As a result of Sampson's outstanding leadership and commitment, Gutierrez presented Sampson with the coveted Redfield Award, which is the highest honor the department can give. It is named after the first secretary of commerce, William C. Redfield.

### U.S. and China Continue Exchange of Views on Steel Trade Issues

On August 2–3, 2007, in Washington, D.C., the Commerce Department's Import Administration (IA) and the Office of the U.S. Trade Representative (USTR) co-hosted the third and largest meeting to date of the U.S.–China Steel Dialogue. The meeting was held under the auspices of the U.S.–China Joint Commission on Commerce and Trade. The event brought together a large U.S. interagency delegation, including representatives from the Departments of State and Treasury, along with 29 Chinese government and industry officials and 16 representatives from the U.S. steel industry.

The two-day agenda included Chinese and U.S. industry presentations on developments in their respective steel markets, a discussion of government support to the U.S. and Chinese steel industries, a review of China's capacity reduction and export policies, and a U.S. presentation on trade remedies. The event provided a valuable opportunity to exchange information and views and to increase understanding on some contentious topics with respect to U.S.-China steel trade. A fourth meeting of the dialogue is being planned.

### **International Trade Calendar**

# October 2007

# Calendar

Here is a selected list of international trade events of interest, including ITA-sponsored events, as well as a selection of upcoming international trade fairs. The U.S. and Foreign Commercial Service (USFCS) maintains a comprehensive listing of industry shows at www.export.gov

### October 1-5

Environmental Trade Mission to Bulgaria, Romania, and Turkey Sofia, Bulgaria; Bucharest, Romania; Istanbul, Turkey www.buyusa.gov/environmental

This event offers a timely and cost-effective opportunity for U.S. firms to tap into fast-growing markets for environmental equipment, technology, and services in the newest European Union member countries and nearby Turkey. Recruitment is now closed for this event. To obtain information on future events of this kind, go to www.export.gov and click on "Trade Events."

### October 9-12

### Inter Airport Europe 2007 Munich, Germany www.interairport.com/europe

Inter Airport Europe, held every two years in Germany, is the leading trade show for airport equipment, technology, and services. The 2005 event attracted more than 500 exhibitors and more than 12,000 trade visitors. This year's show will include a U.S. pavilion with commercial specialists available to meet with U.S. exhibitors to provide market input and assistance. For more information, contact Juergen Mueller of the USFCS, tel.: +49 (40) 41171-313; e-mail: juergen.mueller@mail.doc.gov.

### October 10-13

### 27th Mexico National Mining Convention 2007 Veracruz, Mexico www.micexpos.com

This show will be a meeting place for engineers, executives, exhibitors, tool and machinery manufacturers, and technicians, as well as national and foreign academics and speakers. A U.S. pavilion will offer a value-added package of services, including VIP receptions, matchmaking support, networking opportunities, and meeting rooms. For more information, contact Kevin Haley of the USFCS, tel.: (202) 482-6434; e-mail: kevin.haley@mail.doc.gov.

### October 11

# Intellectual Property Rights in China www.stopfakes.gov

This program is part of a continuing series of Webinars on the protection of intellectual property rights in China. It is sponsored by ITA's China office and will run from 11:00 a.m. to 12:30 p.m. Eastern time. For more information, or to register, send an e-mail to *chinaipr@mail.doc.gov*.

### October 15–16

### Conference on Cross-Border Data Flows, Data Protection, and Privacy Washington, D.C. www.export.gov/safeharbor/

Under the auspices of the U.S. Department of Commerce, the European Commission, and the Article 29 Working Party on Data Protection, this conference continues the conversation on the U.S.—European Union Safe Harbor Framework, data protection, and the importance of cross-border data flows to international trade. For more information, contact Damon Greer of the Safe Harbor Program, tel.: (202) 482-5023; e-mail: damon.greer@mail.doc.gov.

### October 23–25

### Louisiana Gulf Coast Oil Exposition Lafayette, Louisiana www.lagcoe.com

This exposition is a major trade show for oil and gas machinery, equipment, and services for offshore oil exploration. There is free admission to the exhibit floor, where approximately 340 companies will display products and new technologies. An international business center, with meeting rooms, a lounge area, and interpreters, will be provided to assist business needs. For more information, contact Eugene Quinn of the USFCS, tel.: (202) 482-0578; e-mail: eugene.quinn@mail.doc.gov.

### October 24-27

### Worldwide Food Expo 2007 Chicago, Illinois www.worldwidefood.com

This show is the largest and fastest-growing food manufacturing event in the Western Hemisphere. Registration is \$150, but international visitors who are members of an official delegation sponsored by the U.S. embassy will receive a 50 percent discount. For more information, contact Edward Kimmel of the USFCS, tel.: (202) 482-3640; e-mail: edward.kimmel@mail.doc.gov.

### October 25

### REACH: European Union Chemical Regulation www.export.gov

This 90-minute Webinar will help U.S. chemical exporters understand and comply with the European Union's new REACH (regulatory framework for registration, evaluation, authorization and restriction of chemicals) requirements, which go into effect in 2008. For more information or to register, contact Leticia Arias of the USFCS, tel.: (310) 235-7204, e-mail: leticia.aria@mail.doc.gov.

### October 30– November 2

### Automotive Aftermarket Industry Week 2007 Las Vegas, Nevada www.aapexshow.com, www.semashow.com

This event comprises two separate events, the Automotive Aftermarket Products Expo (AAPEX) Show and the Specialty Equipment Market Association (SEMA) Show. For more information, contact Michael Thompson of the USFCS, tel.: (202) 482-0671; e-mail: michael. thompson@mail.doc.qov.

### On The Horizon

### November 1-5

Index 2007
Dubai, United Arab Emirates
www.indexexhibition.com

Manufacturers of furniture and interior-related products should consider participating in this event because there is a huge demand for those products throughout the Middle East. In 2006, this show attracted 1,575 companies and 36,994 visitors. Manufacturers of products with U.S. content that represents 51 percent of the value of the finished goods can participate in the U.S. pavilion. For more information, contact Mary Lynn Landgraf of the Office of Textiles and Apparel, tel.: (202) 482-7909; e-mail: mary-lynn.landgraf@ita.doc.gov.

### November 7-9

**FIBCA 2007** 

Lima, Peru www.fexpe.com

With Peru's recent elimination of tariffs on capital goods, FIBCA (Feria Internacional de Bienes Capital) 2007 will be an excellent opportunity for U.S. manufacturers to make sales. There is an active Export—Import Bank program in Peru that can help finance purchases of capital equipment, and the bank plans to run seminars concurrently with the fair. For more information, contact William Corfitzen of the USFCS, tel.: (202) 482-0584; e-mail: william. corfitzen@mail.doc.gov.

### November 14-15

Telemobility Forum 2007
Milan, Italy

www.telemobilityforum.com

Telemobility Forum 2007 is Italy's most important event devoted to satellite navigation, location-based services, and telematics. Those technologies are rapidly expanding in Italy, and excellent opportunities exist for U.S. companies offering innovative products and services. The event will include programs of specialized conferences and exhibits. For more information, contact Nicoletta Postiglione of the USFCS, tel.: +39 (02) 02-6268-851; e-mail: nicoletta.postiglione@mail. doc.gov.



### September 15-December 15

Nominations for the Benjamin Franklin Award for Public Diplomacy

www.state.gov/r/partnerships/award/

In January 2007, Secretary of State Condoleezza Rice announced the creation of the Benjamin Franklin Award for Public Diplomacy, which recognizes outstanding contributions to public diplomacy. The new award, according to the secretary, is a recognition that "the solutions to the challenges of the 21st century are not going to be met by government alone. They come from all sectors of American society working together."

The award will be presented in four categories: individuals; corporations; academic institutions (schools, universities, etc.); and not-for-profit organizations (non-governmental organizations, foundations, associations, etc.). Special emphasis will be given to activities and programs that provide hope and opportunity in education, culture, and information; that empower, educate, and inspire key audiences (such as women, students, and educators); and that engage underserved communities and grassroots organizations.

Nominations will be accepted from any individual or group. Those submitting nominations need not be U.S. citizens, but all nominees must be U.S. citizens. The nominated activity must have taken place during 2007, and nominations will be considered only for activities that do not involve U.S. government funding. The award will be presented in spring 2008.

For more information on the Benjamin Franklin Award for Public Diplomacy, or to obtain a nomination form, visit the State Department's Web site. Nominations will be accepted from September 15 through December 15, 2007.



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For more information and news, visit ITA's Web site at www.trade.gov or contact the Office of Public Affairs, International Trade Administration, 1401 Constitution Avenue NW, Washington, DC 20230; tel.: (202) 482–3809.

Christopher A. Padilla

Acting Under Secretary of Commerce for International Trade

**Charles Skuba** 

Director, Office of Public Affairs

John Ward Editor

Web edition and electronic dissemination:

Jeremy Caplan

Copyediting:

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Calendar editor:
Lorri Crowley

**Production assistance:** *Michele Robinson* 

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### Creating an "Export Culture"

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ITA, through its programs, plays a crucial role in helping American firms enter and prosper in those FTA markets. According to Gutierrez, "These agreements open markets for U.S. goods and services and, importantly, help export good governance, create stable markets, and reduce poverty in emerging economies."

### Opening New Markets with Trade Promotion Authority

To facilitate reducing trade barriers through FTAs, Gutierrez urged Congress to grant the president trade promotion authority (TPA). TPA is an agreement between Congress and the administration that allows the president to present a negotiated agreement to Congress for an up-or-down vote, provided that certain notice and consultation requirements have been met. The most recent extension of TPA expired on June 30, 2007.

"Trade promotion authority [is] an essential tool to ensure our continued export success," said Gutierrez. "Many of our trading partners, including Asia and the European Union, are acting bilaterally to engage with each other. The United States cannot afford to sit on the sidelines."

### Encouraging Investment through Foreign Direct Investment

Trade and investment go hand in hand. Although the United States has historically been the world's most attractive destination for foreign direct investment, today it faces increased competition for investment dollars. In response, the Commerce Department recently launched the Invest in America initiative to encourage foreign firms to invest directly in the U.S. economy. It is, said Gutierrez, "another area of the economy in which we are facing stepped-

up competition and, therefore, must take on a more aggressive, proactive posture."

### **Ensuring a Level Playing Field**

An important responsibility of the Commerce Department is to ensure a level playing field for U.S. workers and industry. As global trade barriers come down, it is critical that U.S. companies be able to compete equally with everyone else. Accomplishing that goal entails safeguarding companies from unfair practices by using every available tool to enforce trade laws.

"We play by the rules, and it is only fair to expect others to do the same," noted Gutierrez. "That is why, in March, I announced the Commerce Department's preliminary decision to apply the U.S. antisubsidy law to imports of glossy paper from China. ... [W]hen we find unfair trading practices ... we will work to ensure an equitable, level playing field."

Gutierrez pointed out that, since fiscal year 2001, the Commerce Department had initiated more than 620 compliance cases and had closed more than 450 of them as part of its Trade Agreements Compliance Program.

### **Protection of Intellectual Property**

Another way an export culture is being created is by ensuring full compliance with agreements that protect intellectual property (IP) rights. IP industries represent 40 percent of U.S. economic growth and more than one-third of the value of all publicly traded U.S. companies, and they employ more than 18 million Americans. The Commerce Department has placed IP attachés in strategic markets and is a key participant in the Strategy Targeting Organized Piracy (STOP!), an interagency program that pursues the ambitious goal of ending trade in counterfeit goods.

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Carlos M. Gutierrez

Secretary of Commerce

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### **U.S. Export Assistance Centers**

U.S. Export Assistance Centers (USEACs) are located in more than 100 cities throughout the United States. They are supported by five federal agencies, and serve as one-stop shops that provide small and medium-sized businesses with hands-on export marketing and trade finance support. For more information, visit the U.S. government's export portal, www.export.gov.

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### Creating an "Export Culture"

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Gutierrez concluded the international trade portion of his testimony to the Senate with a philosophy and strategy that guides the nation's trade policy. "While we work to ensure a level playing field, we continue to acknowledge that isolationism won't protect people or protect jobs. Our strategy is to grow exports, not limit imports. Protectionism doesn't protect the economy or jobs. Only innovation, entrepreneurship, competition, and investment will protect and grow jobs."

David Levey is a writer in the Department of Commerce's Office of Public Affairs.

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