



# The World Is Our Market: Strategies for American Prosperity

**A Report to the President  
Prepared by the President's Export Council**

*Compilation of the Council's Work During the Bush Administration  
2001 – 2008*



The President's Export Council (PEC) is a national advisory committee established by Executive Order of the President to advise the President on matters related to U.S. international trade. The Council membership includes both public- and private-sector representatives. The private-sector representatives receive no compensation for their efforts on the Council. The views expressed in this report do not necessarily reflect those of the Administration or individual members of the Council.

---

This report, as well as PEC letters of recommendation and reports, are available on the Internet.

To obtain access to the PEC's Internet website, please go to <http://www.ita.doc.gov/pec> or call the PEC Executive Secretariat at 202.482.1124.



**THE SECRETARY OF COMMERCE**  
Washington, D.C. 20230

July 21, 2008

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, DC 20500

Dear Mr. President:

It is my pleasure to transmit to you the Final Report for this Administration of the President's Export Council (PEC). A key theme during the PEC's tenure has been global economic integration to ensure American prosperity, as reflected throughout its work and as described in this report.

As the premier trade advisory committee, the PEC's diverse membership is able to advise you on a wide range of issues. During your Administration, the PEC has championed the importance of international commerce in fostering economic prosperity through efforts such as its corporate stewardship report and its letters of recommendation regarding issues such as free trade agreements, engaging small businesses, and the Doha Round. The PEC has served to ensure America remains competitive in an increasingly competitive global economy.

The recommendations set forth in this report cover issues ranging from immigration and visa facilitation to information technology and import safety. They can serve as an invaluable tool for the next Administration as it seeks to continue to promote U.S. competitiveness and prosperity.

Thank you for your enduring leadership and openness to the recommendations of the PEC as its members have proudly served our nation and your Administration.

Sincerely,

Carlos M. Guíñez





**THE PRESIDENT'S EXPORT COUNCIL**  
Washington, D.C. 20230

The President of the United States  
The White House  
Washington, D.C. 20500

Dear Mr. President:

On behalf of the Members of The President's Export Council, I have the privilege of presenting you with the Council's final report, which is reflective of our work during your Administration.

During your Presidency, the Members of the President's Export Council (PEC) have developed and worked on a set of priority issues that pursued the central theme of global economic integration. To accomplish this, we made U.S. engagement our number one priority, and aptly titled this report "The World is Our Market: Strategies for American Prosperity." We have recognized that we only can move ahead together in this new economy by building a greater understanding of the challenges and opportunities that exist. By encouraging the U.S. Government and private sector to take a leadership role in global commerce to ensure U.S. economic growth and competitiveness, we are laying the groundwork for continued prosperity.

We are proud of our accomplishments, while recognizing that the recommendations we highlight in this report have defined a rigorous agenda for this and the next Administration. The Council has discussed a number of priorities that complement the over-arching theme of global economic integration: visa acquisition, immigration, engaging small businesses, technology, education, standards, Doha negotiations, free trade agreements, worldwide sourcing, security in trade and travel, and import safety, among others.

We provided over forty letters of recommendation, including comprehensive reports on U.S. corporate stewardship and our two PEC fact-finding trips to China and Russia. These documents represent the best advice of the Members of the PEC, and we appreciate your willingness to take our counsel into consideration when making policy decisions.

This report contains several specific recommendations which are the result of careful review of the accomplishments and continued opportunities for improvement in our priority areas. We urge you and your successor to carefully consider our findings when constructing future trade and other policies that impact U.S. businesses, the economy, and competitiveness in the global marketplace.

We thank you for the opportunity to serve.

Sincerely,

A handwritten signature in cursive script that reads "Bill Marriott".

J.W. Marriott, Jr.  
Chair



# Table of Contents

---

|  |    |
|--|----|
| Membership of the President’s Export Council<br>During the George W. Bush Administration (2003-2008) ..... | ii |
| Overview of the President’s Export Council .....   | 1  |
| Executive Summary .....  | 2  |
| Reports of the Subcommittees   |    |
| <i>Full Council</i>  |    |
| 1. Subcommittee on Services.....   | 9  |
| 2. Subcommittee on Technology and Competitiveness.....   | 19 |
| 3. Subcommittee on Trade Promotion and Negotiations .....  | 25 |
| 4. Subcommittee on Corporate Stewardship.....  | 33 |
| <i>Separately-Chartered</i>  |    |
| 5. Subcommittee on Export Administration .....   | 39 |
| Fact-Finding Trip to China.....  | 42 |
| Fact-Finding Trip to Ukraine and Russia .....  | 43 |
| List of Letters and Reports to the President .....   | 47 |
| Letter from the President .....  | 51 |
| References.....  | 52 |



# Members of the President's Export Council During the Bush Administration

---

## PRIVATE-SECTOR MEMBERS

---

***J. W. Marriott, Jr.***

Chairman and Chief Executive Officer of  
Marriott International, Inc. (Chairman)

***James C. Morgan***

Chairman of Applied Materials, Inc.  
(Vice Chairman)

***Sharon Allen***

Chairman of Deloitte & Touche LLP

C. Michael Armstrong

Former Chairman of Comcast Corporation

Glen A. Barton

Retired Chairman and Chief Executive Officer  
of Caterpillar, Inc.

Riley Bechtel

Chairman and Chief Executive Officer of  
Bechtel Corporation

***John S. Chen***

Chairman and Chief Executive Officer of  
Sybase, Inc.

***Arthur D. Collins, Jr.***

Chairman and Chief Executive Officer of  
Medtronic, Inc.

***Philip M. Condit***

Former Chairman and Chief Executive Officer  
of The Boeing Company

Michael S. Dell

Chairman and Chief Executive Officer of Dell  
Computer Corporation

***James F. Dicke II***

Chairman and Chief Executive Officer of  
Crown Equipment Corporation

***Arnold Donald***

Retired Chairman and Chief Executive Officer  
of the Merisant Company

***Michael L. Eskew***

Former Chairman and Chief Executive Officer  
of UPS

Jack Faris

Former President and Chief Executive Officer  
of the National Federation of  
Independent Business

***J. Brian Ferguson***

Chairman and Chief Executive Officer of the  
Eastman Chemical Company

Raymond V. Gilmartin

Former Chairman and Chief Executive Officer  
of Merck & Company

***Sean M. Healey***

President and Chief Executive Officer of  
Affiliated Managers Group, Inc.

Dr. Paul S. Hsu

Chairman and Chief Executive Officer of Total  
Parts Plus, Inc.

***Juan Carlos Iturregui***

Senior Advisor of Sonnenschein Nath &  
Rosenthal LLP

***Tony James***

President of The Blackstone Group

***Christopher Jenny***

Senior Partner of The Parthenon Group

C. Michael Kojaian

Chairman of Kojaian Ventures, LLC



***Cecilia Ochoa Levine***

President of MFI International Manufacturing, LLC

John C. Lopez

Chairman and Chief Executive Officer of Lopez Foods

***John A. Luke, Jr.***

Chairman and Chief Executive Officer of MWV Corporation

***Betty Manetta***

President and Chief Executive Officer of Argent Associates, Inc.

Henry M. Paulson, Jr.

Chairman and Chief Executive Officer of Goldman Sachs Group

***Prakash Puram***

Chairman, Chief Executive Officer and President of iXmatch Inc.

***Lee R. Raymond***

Retired Chairman and Chief Executive Officer of ExxonMobil

***Michael Sacco***

President of the Seafarers International Union

***Lenny Sands***

Chairman and Chief Executive Officer of Alchemy Worldwide, LLC

***Harold B. Smith***

Chairman of the Executive Committee of Illinois Tool Works, Inc.

***John F. Smith, Jr.***

Retired Chairman and Chief Executive Officer of General Motors Corporation

***Timothy P. Smucker***

Chairman and Co-Chief Executive Officer of The J.M. Smucker Company

***Warren R. Staley***

Retired Chairman and Chief Executive Officer of Cargill, Inc.

***Lee J. Styslinger III***

Chairman and Chief Executive Officer of Altec, Inc.

Sidney Taurel

Chairman and Chief Executive Officer of Eli Lilly and Company

***Leon Trammell***

Chief Executive Officer of Tramco, Inc.

***Stephen R. Tritch***

President and Chief Executive Officer of Westinghouse Electric Company

**EXECUTIVE BRANCH MEMBERS**

**The Honorable Condoleezza Rice**

Secretary of State

**The Honorable Henry M. Paulson, Jr.**

Secretary of the Treasury

**The Honorable Ed Schafer**

Secretary of Agriculture

**The Honorable Carlos M. Gutierrez**

Secretary of Commerce

**The Honorable Elaine L. Chao**

Secretary of Labor

**The Honorable Samuel Bodman**

Secretary of Energy

**The Honorable Michael Chertoff**

Secretary of Homeland Security

**The Honorable Susan Schwab**

United States Trade Representative

**Ms. Jovita Carranza**  
Acting Small Business Administrator

**The Honorable James Lambright**  
Chairman and President of the Export-Import  
Bank of the U. S.

**EXECUTIVE DIRECTOR**

**The Honorable Christopher A. Padilla**  
Undersecretary for International Trade  
U.S. Department of Commerce

**EXECUTIVE SECRETARY AND STAFF  
DIRECTOR**

**J. Marc Chittum**  
President's Export Council  
U.S. Department of Commerce

**CONGRESSIONAL MEMBERS**

***United States Senate***

The Honorable Max Baucus (D-Montana)

**The Honorable Sherrod Brown** (D-Ohio)

**The Honorable John Cornyn** (R-Texas)

**The Honorable Byron Dorgan** (D-North  
Dakota)

**The Honorable Mike Enzi** (R-Wyoming)

The Honorable Tim Johnson (D-South  
Dakota)

**The Honorable Debbie Stabenow**  
(D-Michigan)

The Honorable Jim Talent (R-Missouri)

***United States House of Representatives***

**The Honorable Phil English** (R-Pennsylvania)

**The Honorable Robin Hayes** (R-North  
Carolina)

**The Honorable Jay Inslee** (D-Washington)

**The Honorable Charles W. Pickering**  
(R-Mississippi)

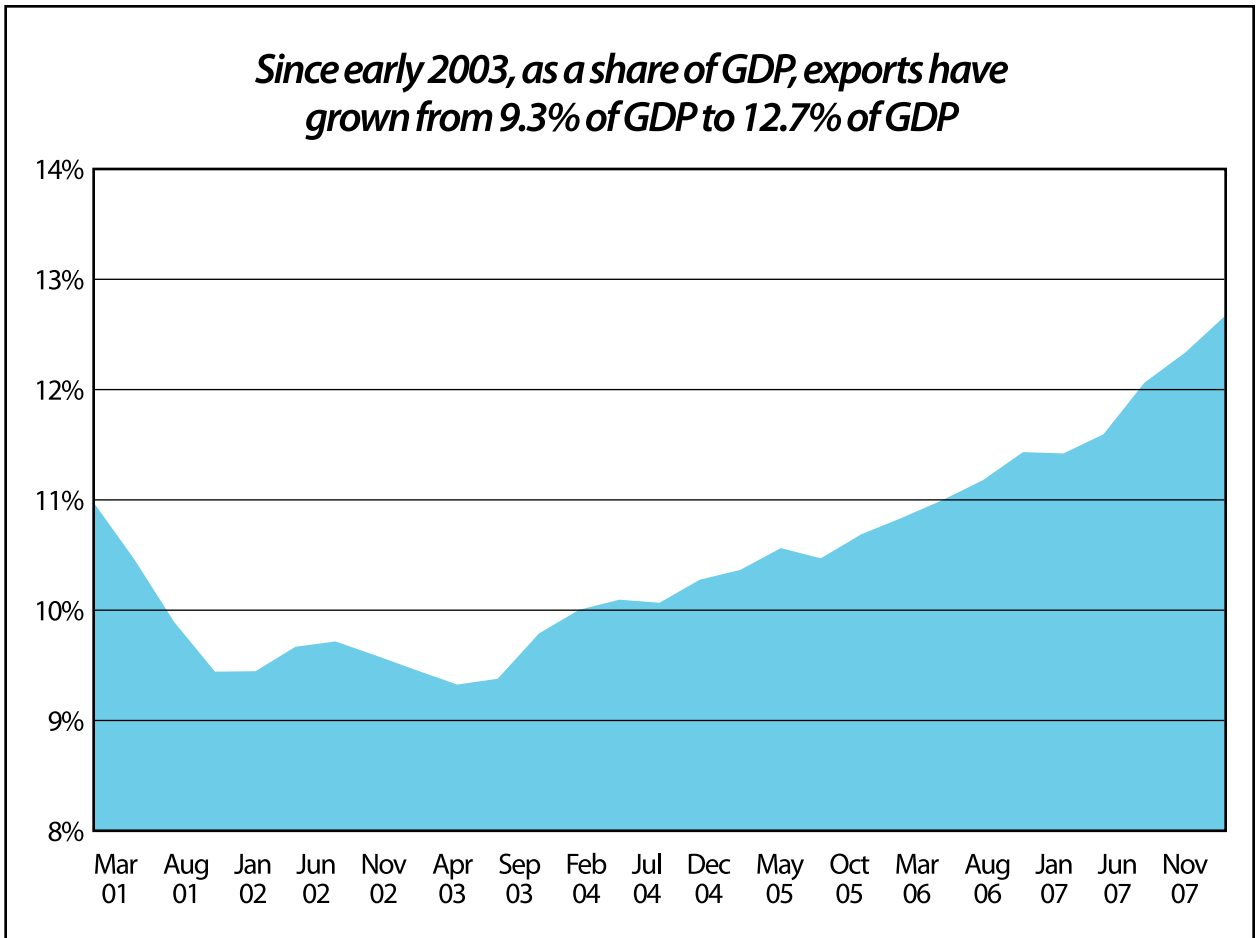
**The Honorable David Wu** (D-Oregon)

*Names in bold denote current Members of the President's Export Council.*



# Real Gross Domestic Product

---



# Overview

---

The President's Export Council is the principal national advisory committee on international trade. The Council advises the President of government policies and programs that affect U.S. trade performance; it promotes export expansion; and provides a forum for discussing and resolving trade-related problems among the business, industrial, agricultural, labor, and government sectors.

The President's Export Council was established by Executive Order of the President in 1973, but was originally composed only of business executives. In 1979, the Council was reconstituted by Executive Order 12131 to include leaders of the labor and agriculture communities, Congress, and the Executive Branch. In 1995, 1999 and 2003, the Council Charter was amended to include the U.S. Small Business Administration, the Department of Energy, and the Department of Homeland Security, respectively, as Executive Branch members.

The 28 private-sector members of the Council are appointed by the President. They serve "at the pleasure of the President," with no set term of office. Five United States Senators and five Members of the House of Representatives are appointed to the Council by the President of the Senate and the Speaker of the House, respectively. Executive Branch members serve by virtue of their office and include the Secretaries of Commerce, Agriculture, Energy, Homeland Security, Labor, State, and Treasury; the United States Trade Representative; the Chairman of the Export-Import Bank of the United States; and the Administrator of the U.S. Small Business Administration.

The President's Export Council maintains subcommittees according to the Council's interests. Membership of these subordinate committees is drawn from the Council's roster. The Council currently has one separately-chartered subcommittee with members who are not members of the parent committee. The Subcommittee on Export Administration (PECSEA), which reviews export control issues, was created in 1976. The Secretary of Commerce appoints the members of the subcommittees. The full Council meets at least twice each year, usually in Washington, D.C. The Council's subcommittees may also hold meetings. Council members do not receive compensation for their service.



*President's Export Council Members with President Bush*

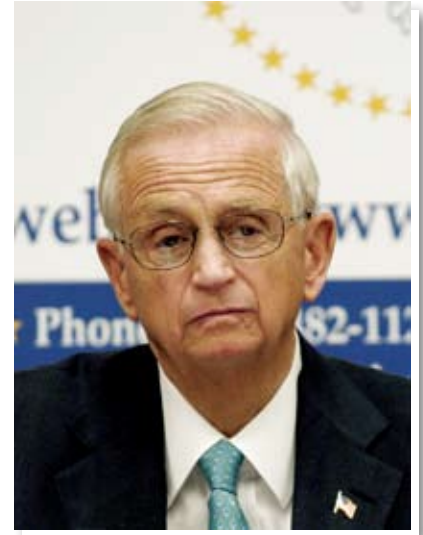
The President's Export Council reports to the President through the Secretary of Commerce. The Under Secretary of Commerce for International Trade serves as the Council's Executive Director. The Office of Advisory Committee serves as the Executive Secretariat for Council activities. The Executive Secretariat can be reached at (202) 482-1124. The Council website is [www.ita.doc.gov/pec](http://www.ita.doc.gov/pec).

# Executive Summary

---

The growth of U.S. trade since 2001 has been remarkable: imports grew 72 percent to more than \$2.3 trillion while exports grew 63 percent to top \$1.6 trillion. At current rates, 2008 will likely see exports hit \$1.8 trillion and imports \$2.5 trillion. This means that almost one-third of the \$14 trillion U.S. economy is directly dependent on trade.

The ability of the United States and its 300 million citizens to prosper cannot be separated from this country's capacity to engage – and engage successfully – in international commerce. The recognition of the inextricable link between trade and economic prosperity has been the guiding force of the President's Export Council (PEC) over the past six years.



*J.W. Marriot, Jr., Chairman of the President's Export Council*

As it worked to carry out its chartered duties to “advise the President on matters relating to U.S. export trade and report to the President on its activities, and on its recommendations for expanding U.S. exports,” the PEC remains acutely aware that the U.S. trade deficit has grown by nearly 50 percent since 2001. This stubborn and unsustainable deficit is the result of many factors, both foreign and domestic. In seeking strategies to overcome this challenge, we believe strongly that the United States must remain committed to a leadership role in an open, rules-based global trading system. There is no putting the genie of global economic integration back in the bottle.

Global economic integration does not come without challenges, but America's story is one of overcoming challenges of all sorts, including economic ones. A great nation does not fear global competition, and we can surely rise to these new challenges. The PEC believes that, with leadership and commitment, no one else in the world is better positioned than the United States to benefit from globalization.

## Priorities

---

The PEC's priorities are rooted in a long-term view of the central role trade and exports play in our economic well-being. But the PEC was also cognizant of the ebb and flow of policy and many of its letters of recommendation were intended to influence current issues at critical junctures. Whether offering recommendations for APEC summits, Doha Round ministerials or key bilateral trade negotiations with Korea, India and Russia, the PEC sought to strengthen the hands of U.S. negotiators through strong expressions of U.S. commitment. Many of the PEC's recommendations were also aimed at broader, less time-sensitive matters such as corporate stewardship, the health of US capital markets, immigration, worldwide sourcing, sanctions and others.

## Achievements

---

The PEC produced 44 letters of recommendation that were sent to the President's desk. While substantial, the real importance of this output is not the quantity but its quality. The Administration recognized the importance of the PEC's work in its letter expressing its appreciation for PEC members' guidance. Twice PEC members accompanied the Secretary of Commerce on overseas fact-finding missions, to China in June 2004 and Ukraine and Russia in June 2008. These ground-breaking trips helped inform the PEC's deliberations as well as signal U.S. business' interest in those emerging markets.

Making possible the overall successes of the PEC were the efforts of the PEC's constituent subcommittees. The subcommittees identified the issues, crafted the letters of recommendation to obtain consensus, and shepherded them through the approval process. The work of these subcommittees and their chairs was substantial:



*James C. Morgan, Vice Chairman of  
the President's Export Council*

- **The Services Subcommittee** focused its efforts on advocacy of a structural and policy framework that recognizes the important place services occupy in today's globally integrated economy. Services comprise more than 80 percent of U.S. private-sector GDP, and cross-border trade in services accounts for more than 22 percent of world trade—more than one trillion dollars annually. Services, the Subcommittee noted, “are the fuel of the international economic engine.”
- **The Technology and Competitiveness Subcommittee** approached its activities from a broad, systemic perspective. Technology and competitiveness begins with the spark of human genius that must be nurtured and the output of that genius requires a fertile environment to thrive. Immigration, education, intellectual property, standards and more technology-specific concerns (*e.g.*, RFID technology) were the major focal points of this Subcommittee's work.
- **The Trade Promotion and Negotiations Subcommittee** addressed the range of trade promotion and liberalization efforts under way, including actions within the United States and bilaterally, plurilaterally and multilaterally. Despite a political environment in which trade frequently became a polarizing political issue, the subcommittee nevertheless worked diligently to advance the rules-based international trading system that enables American business to compete and succeed in markets around the world.
- **The Corporate Stewardship Subcommittee** worked to document the important role that U.S. corporate stewardship plays around the world in spreading American values as well as boosting our trade. The Subcommittee's report, *The Power to Help: U.S. Businesses Creating a Better Tomorrow*, chronicled how US companies practice corporate stewardship by making sustained commitments to economic, community and social progress wherever they operate.
- **The PEC Subcommittee on Export Administration (PECSEA)**, which is separately chartered and administered by the Bureau of Industry and Security at the Department of Commerce, also played a substantial role in shaping U.S. export controls policy in a post-Cold War/post-9/11 environment.

## Recommendations

---

The range of PEC recommendations can be found in the individual subcommittee reports. One issue, however, stands out as a focus of this PEC's efforts: immigration and visa policy. All the PEC subcommittees addressed the visa/immigration issue in one way or another during this PEC's tenure. The Trade Promotion and Negotiations Subcommittee cited the importance of immigration reform in maintaining an educated and highly skilled workforce necessary for 21st Century U.S. competitiveness. The Services Subcommittee pointed out the importance of the trade and travel sectors, which rely heavily on travel to the United States by foreign visitors whether for business or for tourism. The Technology and Competitiveness Subcommittee noted that American business "knows that it can't sell what people can't see or touch" and urged a more balanced approach to visa facilitation and management. The PECSEA observed that traditional oversight and compliance programs regarding non-US technical personnel were often incompatible with the realities of global technology development and business flows.

Although many of the PEC's recommendations on this topic have been adopted or taken under advisement, PEC members believe there is much more to be done in this area. This PEC believes that immigration and visa policy will be an issue for the next President's PEC.

Another piece of unfinished business for the next PEC's consideration is trade promotion authority, or TPA. TPA lapsed in July 2007, and with it went the best chance for U.S. trade negotiators to break down trade barriers to U.S. goods and services. Several bilateral trade deals under way were left in limbo and the WTO Doha negotiations were certainly not helped by the U.S. action. Going forward, it is clear that the Congress must be a ready, willing and fully engaged partner in crafting US trade policy. We recommend the next Administration and next PEC to consider TPA a priority item on their agenda.

---

4

---

Lastly, the PEC recommends to the next Administration that it repeat, and ideally institutionalize, the compilation of American business's corporate stewardship programs. Members of this PEC feel strongly that our report, *The Power to Help: U.S. Businesses Creating a Better Tomorrow*, captured an important aspect of the U.S. business community that is often overlooked and under-appreciated. As former Commerce Secretary Don Evans noted, "a company's real value is the contribution it makes to the lives of all its stakeholders – including its community and its nation." This compilation represented only a small sampling of the myriad contributions made by the U.S. business community, ranging from daily practices to specialized programs to the generosity of spirit exhibited most recently in response to the devastating earthquake in China in May 2008 and other disasters.



The seal of the United States House of Representatives is centered on the page. It features an eagle with wings spread, holding an olive branch in its right talon and arrows in its left. A shield with vertical stripes is on the eagle's chest. Above the eagle's head is a semi-circular arrangement of stars. The entire seal is enclosed within a circular border of small stars.

# **Reports of the Subcommittees**



The seal of the United States House of Representatives is centered on the page. It features an eagle with wings spread, holding an olive branch in its right talon and arrows in its left. A shield with vertical stripes is on the eagle's chest. Above the eagle's head is a crest with a constellation of stars. The entire seal is enclosed within a circular border of small stars.

# **Subcommittee on Services**



# Subcommittee on Services

---

## I. Introduction

The services industry is a key component of the overall U.S. economy, and is comprised of financial services, entertainment, e-commerce, travel and tourism, express delivery, and a host of other seemingly disparate businesses. They enable commerce to be funded, delivered, shared, stored, packaged, promoted, and protected.

More than 80 percent of the nation's private sector GDP is comprised of services, where the U.S. enjoys a significant comparative advantage. Cross-border trade in services accounts for more than 22 percent of world trade—more than one trillion dollars annually. During the 1990s, U.S. exports of services more than doubled. Moreover, services are the fuel of the international economic engine; they provide the critical infrastructure for trade in goods.



*Michael L. Eskew, Chairman of Subcommittee on Services*

## II. Goals

The Subcommittee was established to review issues that generally affect the U.S. services industry. The objective of this Subcommittee was to respond to the immediate and specific policy issues that influence the services industry and after careful review, provide recommendations to the Administration. The Subcommittee seeks to build strong public-private partnerships in addressing problems and implementing solutions.

## III. Accomplishments

Through this Administration, the Subcommittee presented a total of 11 letters to the President, each focused on a specific policy issue facing the services industry. The following is a summary of those letters:

***Services Liberalization (October 1, 2003).*** The creation of the General Agreement on Trade in Services (GATS) in the Uruguay Round of trade negotiations was an essential first step in the effort to foster competitive opportunities for services in the global marketplace. Unfortunately, the commitments to liberalize services trade made by most countries in the Uruguay Round were extremely modest. Accordingly, we must seek significantly expanded commitments throughout all service sectors from our trading partners in bilateral FTAs and the Doha Round. As the most competitive services exporter, the United States has the most to gain from true liberalization of services trade. Achieving significant expansion of world markets in services will not only directly benefit U.S. export performance, but it will also act as a much-needed engine to propel world economic growth.

***Worldwide Sourcing (May 3, 2004).*** The tendency to attribute slow recovery in the U.S. job market to employers who engage in worldwide sourcing of products and services has led to a proliferation of legislative proposals that would restrict how employers make everyday business decisions. The Council believes that such efforts to restrict worldwide sourcing would be seriously damaging to the United States. These proposals reflect a fundamental misunderstanding of the benefits of worldwide sourcing and distract our nation's leaders from pursuing policies that will, in fact, create jobs and strengthen the U.S. economy's global competitiveness.

The PEC advised that the Administration redouble its efforts to seek meaningful and substantial gains in market access for U.S. goods and services as part of its multilateral and bilateral trade agenda. The Council also recommended additional efforts in encouraging U.S. job growth through worker education and training. In addition, the Council stressed the importance of ensuring that government is not creating any disincentives for generating jobs at home, including tax and other policies that encourage firms to locate jobs overseas.

***Security in Trade and Travel (September 29, 2004).*** The post-9/11 security paradigm touches virtually every corner of the U.S. economy. Most directly impacted are those industries that depend heavily on the flow of people and goods in to and out of the United States—the trade and travel sectors. Accounting for at least half of the 36 sectors tracked by Wall Street analysts, trade and travel together employ 97 million Americans in all 50 states, generate \$128 billion in taxes, fuel 66 percent of the nation's GDP growth, and move almost \$1 trillion worth of U.S. exports around the world each year. The Council emphasized the need for balance when making security decisions so that the impact on the free flow of goods and people, and consequently the U.S. economy, is fully understood before security procedures are implemented.

***Statistical Data on Services (May 25, 2005).*** The U.S. Bureau of Economic Analysis (BEA), the Census Bureau, and the Bureau of Labor Statistics (BLS) have dramatically improved their data collection in recent years. However, as the global engagement of U.S. services companies continue to expand, more resources are required to improve these agencies' collection and analysis of services data. Improved data collection will be helpful to analyze the effects of U.S. trade policy and policies of our trade partners. Better statistical data on services will ensure that U.S. trade negotiators are better equipped to achieve meaningful results.

***Monopoly Suppliers of Services (December 6, 2005).*** Many practices by monopolies authorized or established by foreign governments distort competition abroad, limit full and free market access, and create trade barriers by using monopoly status and other advantages to compete unfairly in areas open to private competition. These monopolies are usually found in major services sectors that underpin the economy as a whole, such as telecommunications, health services, energy, postal, financial services and transportation.

By using their monopoly position and financial resources, these suppliers can extend their market power beyond the major services sectors that they may properly control and disable fair competition with and access to private suppliers. U.S. services industries face potential monopoly abuse when they seek to operate in foreign countries. This abuse greatly undercuts the value of the market access commitments that the Administration strives to achieve in trade agreements.

***Visa Acquisition (December 6, 2005).*** The U.S. visa-acquisition process was, and continues to be, a major concern for the American business community. The easy and reliable movement of goods and people—always with due regard for national security and public safety—is essential to our ability to compete, grow and deliver gains for the U.S. economy and its citizens.

American visa policy should not deter the continued flow of innovative brain power that has historically been the core of our economic engine, as well as tourists who visit with disproportionately higher spend rates. The economy's future greatly depends on the relative reservoir of intellectual capital. This is a critical issue because other nations are vying for these very same individuals, some of whom will eventually become key innovators driving the economy's continued growth.

***Review of the National Strategy for Pandemic Influenza Implementation (July 19, 2006).*** The PEC believes that the Administration's National Strategy for Pandemic Influenza is just the beginning of a comprehensive and clear set of criteria that must be constructed, completed, and communicated prior to a potential crisis. The additional time and effort we expend now will not only enhance the safety of the American people but will also ensure that critical commerce continues, despite potential interruptions to the global manufacturing, services, and supply chain systems. Central direction from top federal leadership may help reduce the fear caused by a potential crisis.

The PEC suggested specific recommendations to address four potentially major issues during a pandemic. These issues included: import/export movement, critical business infrastructure for pandemic response, the role of critical infrastructure, and securing the safety of Americans overseas.

***Western Hemisphere Travel Initiative (January 18, 2007).*** The PEC expressed concern for a lack of both resources and a sense of urgency that could lead to a weakening of our nation's economy as an unintended consequence of efforts to improve screening at our borders in implementing the Western Hemisphere Travel Initiative (WHTI). Without effective implementation and communication, the WHTI could have a serious negative impact on legitimate commerce and tourism as well as on our diplomatic relationships with our two largest trading partners: Canada and Mexico.

The WHTI will impact cross-border trade by affecting the free flow of people and goods. Many of the border infrastructures between Canada, Mexico, and the United States already are approaching maximum capacity and represent a potentially significant bottleneck to the movement of goods. Without a thorough plan for execution, the WHTI also raises concerns about the objectives of the trilateral Security and Prosperity Partnership (SPP). WHTI, in its current form, will not effectively reduce border congestion and may actually hinder the progress that has already been made.

***Competitiveness of U.S. Capital Markets (June 7, 2007).*** The public debate concerning the competitiveness of U.S. capital markets has gained increasing attention. The PEC shares the concern that U.S. capital markets may be losing their competitive advantage relative to markets in other parts of the world. The reasons for this are varied and complex, not the least of which is the natural and inevitable maturing of foreign financial centers. Financial centers all over the world are all actively studying ways to promote their own development and competitiveness.

The PEC welcomes the recommendations of the Committee on Capital Markets Regulation, the Commission on the Regulation of U.S. Capital Markets in the 21st Century, and the report on Sustaining New York's and the United States' Global Financial Services Leadership, among others.

The PEC believes these recommendations as a whole deserve serious consideration by the Administration and the regulatory agencies that are charged with ensuring the integrity of our capital markets.

***Bilateral Investment Treaties (BITs) with Brazil, Russia, India, and China (BRICs) (December 4, 2007).*** Foreign direct investment is a tremendous source of growth for the U.S. economy, helping to spur U.S. exports and create new economic opportunities in foreign markets, and it is particularly vital to the U.S. service sector. The PEC believes that substantial and measurable progress and growth can be achieved through the negotiation of comprehensive and binding bilateral investment treaties (BITs) with each of the “BRIC” nations (Brazil, Russia, India, and China).

Brazil, Russia, India and China are critical to our long-term strategy of expanding access to international markets. Not only does each country have substantial, largely untapped domestic markets, but they are also markets where U.S. service suppliers have a significant comparative advantage. U.S. companies cannot, however, make the most of these opportunities unless, first, they are given the right to invest in these countries on an equal footing with their domestic and foreign competitors, and, second, they can operate in a stable, fair and transparent regulatory environment. A high-standard BIT that follows the U.S. model would help address many of these problems by providing for market entry, permitting the free transfer of capital, and putting in place a rigorous and objective arbitration mechanism for enforcing those obligations.

***Services Negotiations in the Doha Round (April 8, 2008).*** The multilateral WTO negotiations present a rare opportunity to open markets to U.S. services around the world in a single stroke. The U.S. economy is predominantly a services economy. It is, moreover, a sector where the United States has a strong comparative advantage, as demonstrated by the fact that the U.S. consistently runs a trade surplus in services. An often overlooked benefit of the services sector is that it also acts as a trade multiplier. Because U.S. services are among the most competitive in the world, they can help deliver U.S. manufactured and agricultural exports more competitively into foreign markets. Therefore, the opening of global services markets is critical to amplifying the economic benefits of any market opening achieved through the agricultural and non-agricultural market access (NAMA) negotiations.

The U.S. economy excels in services and need to retain that edge to retain our global economic leadership. An ambitious outcome in the Doha services negotiation is an essential component of our national economic strategy.

## IV. Recommendations

***Enhance Worker Education and Training.*** Not all U.S. workers have benefited from the worldwide economy and, where appropriate, the government should help U.S. workers take charge of their livelihoods by being better educated and trained for the jobs of the future. The private sector, of course, has a vital role to play. U.S. employers – and especially large companies – spend more than \$70 billion on formal worker training every year, not to mention substantial assistance to those who do lose their jobs, often in the form of counseling, training, job development and search assistance, or information-dissemination.

First, while Trade Adjustment Assistance (TAA) is a much-debated program, its current dichotomy between a manufacturing job lost because of trade (which is covered), and a service job lost (which



is not covered) makes little sense. As long as TAA exists, we favor extending it to include dislocated service workers.

Second, we would encourage your Administration to take a hard look at the current worker training/adjustment system. Potential improvements may include the consolidation of existing programs, greater focus on workers who want to upgrade their skills, and greater accessibility to unemployed and part-time workers. Creative ideas that may strengthen the workforce's competitive edge – proposals for wage insurance, human capital investment tax credits and personal lifetime learning accounts – should be considered. While the PEC does not specifically endorse any of these ideas, it believes that they, among others, merit serious study.

***Consult with Businesses on Homeland Security Initiatives.*** The PEC urged the U.S. Government to work with the nation's business community in developing effective homeland security initiatives. Given the importance of the trade and travel sectors, policies that affect these businesses should not be made without input from industry.

***Pursue Stronger Services Liberalization in all Trade Negotiations.*** The PEC is concerned about recent attempts to trim back efforts to liberalize trade in services and service-related investment. Such a move would set a dangerous precedent for future negotiations and have a negative effect on commercial activity. This and future Administrations must continue to seek liberalization in services as a top priority in all trade negotiations.

***Improve the Scope of Statistical Data on Services.*** The Services Subcommittee hopes that this and future Administrations will provide and continue to make available resources for the following initiatives:

- Expand the Census Bureau's *Quarterly Services Survey* to include additional industries in order to better measure the sector's output;
- Upgrade the BEA's *International Trade in Services* statistics to collect annual data on international banking affiliates, support linkages projects on occupational data, and improve export and import services data to correct the existing undercount;
- Upgrade BEA's analytical capabilities to provide more timely and objective analysis of emerging economic topics, like outsourcing; and
- Expand the BLS' Producer Price Index and international pricing program to include Services in any discussion of prices, inflation and the performance of the U.S. economy from the producers' perspective.

***Organize a Monopoly Abuse Task Force.*** Administration officials should organize a special task force to further define and assess the problem of monopoly abuse and devise an effective U.S. strategy. The task force recommendations to alleviate monopoly abuse should be incorporated into pending and future bilateral and multilateral trade agreement negotiations.

***Increase Implementation of Business Visa Centers.*** While the PEC appreciates the opening of new Business Visa Centers in certain consular locations, this program should be implemented in all consulates so they have the resources and flexibility to establish business windows at posts, set aside

time-blocks for business visas and permit group appointments. Further, leveraging 21st century technology to improve the visa process seems to be the next logical step in reducing wait times, minimizing travel to secure a visa, and improving the efficiency of the visa acquisition process.

***Enhance Pandemic Influenza Preparation.*** The PEC has four specific recommendations regarding pandemic influenza preparation.

- Identify products and services that will be considered critical and necessary for responding to or existing during an influenza pandemic. Then, develop specific crisis trade policy agreements to ensure production and movement of these critical products and services, including pharmaceutical products and protective infection control equipment, are not impeded. Develop prioritization of and special customs clearance processing for global imports and exports of critical supplies to ensure global supply chains remain viable.
- Further define and identify critical business infrastructure to include specific manufacturers, service providers, vendors, and agencies in all tiers of the supply chain.
- Large critical infrastructure businesses are being asked to participate by several levels of government with very little consistency in requests and plans. In order for businesses to support federal, state and local response efforts, they need a better understanding of what they are expected to do. Provide model state and local plans as examples to ensure consistency in response.
- The U.S. Department of State should be charged with developing plans to protect Americans overseas. As part of these plans, the State Department must also be prepared to assist U.S. citizens in their return to the United States. If such measures are not planned or the State Department determines it will not be able to aid Americans overseas, advanced warning must be given to those individuals so they are aware that the State Department will not be able to assist them in the event of a pandemic.

***Bolster WHTI Implementation.*** The White House can guarantee that both security demands and the need to strengthen our economy are met by ensuring the needed resources for WHTI implementation.

- The PEC recommends that implementation is executed in concert with Mexico and Canada, included shared technology used or developed to process passports or documents.
- The communications effort to educate the traveling public about the new requirements must also be increased and coordinated. The Administration should provide direction to the Department of State and Homeland Security as well as the private sector in order to convey a consistent message.
- Tomorrow's competitiveness depends on our nation's continuing ability to successfully adapt to a knowledge-based economy. It is imperative that the implementing agencies utilize adequate technology (such as processing pre-arrival customs information) to ensure goods can move across borders as freely as possible.
- DHS has not been given the resources necessary to implement the WHTI program effectively in the judgment of the General Accounting Office, many members of Congress and many private sector

leaders. The requisite additional resources vary from border crossing to border crossing and include for example, additional Customs and Border Protection staff and additional physical infrastructure (e.g. pull-aside lanes). Additionally, the Department of State should be granted additional resources in order to accommodate an increase in demand for passports.

***Expanding BITs.*** The Subcommittee encourages further efforts to ensure open, transparent and balanced investment climates in important markets through the negotiation of comprehensive and binding bilateral investment treaties (BITs). In particular, the Subcommittee recommends that the Administration explore BIT negotiations with the so-called “BRIC” nations (Brazil, Russia, India and China). A reinvigorated BIT program would signal that the United States can and will support foreign investment with our prospective treaty partners while opening markets for – and protecting – U.S. investors abroad.

# Members of the Subcommittee on Services

---

**Michael L. Eskew (Chairman)**

Former Chief Executive Officer  
UPS

Henry M. Paulson, Jr. (Vice Chairman)  
Former Chairman and Chief Executive Officer  
Goldman Sachs

**Sharon Allen**

Chairman  
Deloitte & Touche LLP

**Sean M. Healy**

President and Chief Executive Officer  
Affiliated Managers Group

**Christopher Jenny**

Senior Partner  
The Parthenon Group

**J.W. Marriott, Jr.**

Chairman and Chief Executive Officer  
Marriott International

**James C. Morgan**

Chairman  
Applied Materials

The Honorable Steven C. Preston  
Former Small Business Administrator

**Michael Sacco**

President  
Seafarers International Union



**Subcommittee on  
Technology and  
Competitiveness**



# Subcommittee on Technology and Competitiveness

---

## I. Introduction

The Subcommittee's primary mission is to address issues affecting the U.S. economy and assisting U.S. businesses of all sizes, using technology as a primary catalyst. The Subcommittee provided feedback to the Administration on ways to create a competitive edge for U.S. industry. Among the topics the subcommittee addressed were standards, tariff and non-tariff barriers, entrepreneurialism, free trade zones, and sanctions. All were measured against a common metric of whether they will keep the U.S. economy growing.

## II. Goals

Innovation, technology and competitiveness are essential characteristics of the U.S. economy. Indeed, all successful economies depend on these attributes. The spirit of entrepreneurialism permeates much of American society from the elementary school cafeteria science fairs to the risks men and women take to create businesses funded by savings and personal debt. One thing Americans cannot be labeled is risk averse. But this spirit of entrepreneurialism and risk-taking shares the stage with government regulation at all levels. The members of the President's Export Council's Subcommittee on Technology and Competitiveness sought to apprise and advise the President of the appropriate role our federal government should play in America's ongoing effort to lead the world in innovation, entrepreneurship and economic growth.



*Betty Manetta, Chairman of Subcommittee on Technology and Competitiveness*

## III. Accomplishments

Subcommittee members include representatives of both the manufacturing and services sectors. Members' company sizes range from those with far fewer than 500 employees to those with thousands of employees and with operations spanning the globe. Despite the very different characteristics among them, Subcommittee members are bound by a common belief that fostering a strong national competitiveness strategy — built on the pillars of technology, innovation, transparency and rules-based trade — will be critically important for the future of our nation's economic well-being.

**Visas.** American businesses know they cannot sell what people cannot see or touch. Subcommittee members fully appreciate the anxiety that spilled into the Departments of State and Homeland Security following the events of 9/11. These agencies are charged with finding that difficult balance between open borders that welcome students, customers and guests and a checkpoint where individuals who would do harm to America are stopped. This is not an easy task. We recognize and commend the State Department's Office of Consular Affairs for some progress toward expediting tourist and business visas; but there is more to be done in further liberalization of our policies regarding these and other visas.

We acknowledge the progress made, but wait times for U.S. visas around the globe are still too long. The Subcommittee encourages the Departments of State and Homeland Security to work more closely with the private sector to review and implement process and technology changes that will both improve security and decrease processing times.

**Standards.** Early on in this Subcommittee’s tenure, former Commerce Secretary Evans challenged us to focus on areas of growth. As one way to help enable this, the Commerce Department created the Office of Standards. The Subcommittee supported this office, which helped provide input to the next generation of standards aimed at protecting our citizens, economy, and environment for future generations. The Subcommittee also provided feedback and data to the Administration to ensure this Office was properly funded. Most importantly, the Subcommittee urged that it be more aggressive in identifying opportunities to promote standards created by U.S.-based standards development organizations. Standards can become an area of competitive disadvantage to U.S. business if involvement and diligence by both U.S. private sector and government participants are inadequate. Recognizing the importance of standards both nationally and internationally, the Subcommittee addressed the issue in two letters to the President — one relating to import safety and the other to RFID technology.

**Raising Awareness.** An overarching objective of the Subcommittee was to raise awareness of those issues impacting exports and the membership. Some of the issues addressed by the Subcommittee resulted in a definitive response or solution, while other systemic issues, such as entrepreneurialism, free trade agreements, and competitiveness, continue to be debated in public and private fora.

#### **IV. Recommendations**

**Education.** As evidenced by the clamor for more H-1B visas, the Subcommittee commended the Administration for its support and implementation of the No Child Left Behind Act. The Subcommittee followed the Act since its inception and expressed its concern that granting of state and local exemptions from the Act’s provisions would lead to inadequacies in the U.S. talent pool. Without a “fully prepared” and lifelong learning-ready workforce in all corners of the country, the United States will lose its standing as a technology leader. In sum, if the United States is to remain a global technological and economic leader in the world, it is imperative that we excel in academics.

**Immigration Reform.** The Subcommittee urged the President in its July 19, 2006, letter to deliver and pass a comprehensive reform bill that addresses the problems of the current immigration system, upholds the ideals of our nation, and provides a fair and practical way to move forward.

**Civil Justice Reform.** The Subcommittee recommended in its August 23, 2007 letter a series of common-sense civil justice reforms. Among these recommendations were: rationalizing pretrial discovery; eliminating “junk science” from courtrooms; enacting a federal standards defense; and developing policies and practices to limit the use of U.S. courts by foreign claimants in cases arising out of acts committed in foreign countries by governments of those countries. These recommendations would lead to a fairer, more predictable, less expensive system for resolving such claims and would help maintain America’s competitiveness in a global marketplace.

**Import Safety.** The Subcommittee in its April 8 2008, letter urged the President to continue the Administration’s work to implement the recommendations of the Import Safety Working Group. The letter also recommended that the government work more closely with the private sector to ensure



adoption of systems for recalls and other supply chain management issues that use existing and globally accepted standards, such as those developed by EPCglobal, ISO, IEEE and GS1. Providing the right information on a product recall to the right party at the right time improves the safety of U.S. consumers. Technology provides the tools to automate this process and improve it significantly, while ensuring continued strong trade flows of both exports and imports. Safety clearly is an important aspect of a healthy and prosperous U.S. economy.

***U.S. Small and Medium Enterprises (SMEs).*** U.S. businesses – and in particular SMEs – are faced with regulatory or other structural barriers at home and abroad that the U.S. Government is best positioned to tackle. An example is non-tariff barriers. Non-tariff barriers, including foreign regulations, can create an unlevel playing field or reflect entrenched and parochial bureaucratic interests that needlessly tangle market access and global supply chains — often to the detriment of U.S. SMEs. In its April 8, 2007 letter, the Subcommittee recommended that the Administration continue to pursue comprehensive trade agreements, encourage larger firms to use SMEs in their global supply chains, improve communication about U.S. Government programs to promote exports, and promote global recognition and use of standards and strong international rules. America’s vibrant small business sector will remain a critical comparative advantage as we work together to strengthen U.S. competitiveness and accelerate economic growth.

***RFID Technology.*** The Subcommittee recommended in its January 18, 2007 letter that the Administration embrace RFID technology as a contributor to U.S. competitiveness. Specifically, the Subcommittee urged greater support for research in radio frequency identification; increased use of RFID pilot programs throughout the federal government; encouragement of enhanced international dialogue on standards and good regulatory practices; and facilitation of greater cooperation between public and private sectors on the issue of RFID and global supply chains. The Subcommittee believes that the use of leading technologies into national competitiveness and manufacturing initiatives is a sound strategy that will help promote a dynamic and competitive manufacturing industry through more efficient and effective supply chain management.

***Biofuels.*** Going forward, the Subcommittee recommends the next PEC examine U.S. biofuels policy for its impact on the U.S economy and trade.

# Members of the Subcommittee on Technology and Competitiveness

---

**Betty Manetta (Chairman)**

President and Chief Executive Officer  
Argent Associates

Michael S. Dell  
Chairman and Chief Executive Officer  
Dell Computer Corporation

**James Dicke II**

Chairman and Chief Executive Officer  
Crown Equipment

**J. Brian Ferguson**

Chairman and Chief Executive Officer  
Eastman Chemical

**Tony James**

President  
The Blackstone Group

**James C. Morgan**

Chairman  
Applied Materials

**Harold B. Smith**

Chairman of the Executive Committee  
Illinois Tool Works

**Timothy P. Smucker**

Chairman and Co-Chief Executive Officer  
The J.M. Smucker Company

**The Honorable Samuel Bodman**

Secretary of Energy

Hector Barreto

Former Small Business Administrator

**The Honorable Mike Enzi (R-Wyoming)**

United States Senate

**The Honorable Robin Hayes (R-North Carolina)**

U.S. House of Representatives

**The Honorable Jay Inslee (D-Washington)**

U.S. House of Representatives

**The Honorable Charles W. Pickering (R-Mississippi)**

U.S. House of Representatives

**The Honorable David Wu (D-Oregon)**

U.S. House of Representatives



**Subcommittee on  
Trade Promotion and  
Negotiations**



# Subcommittee on Trade Promotion and Negotiations

---

## I. Introduction

The Subcommittee's primary mission is to survey and evaluate export expansion opportunities available to the communities represented by the membership. In particular, the Subcommittee focuses on multinational organizations (*e.g.*, World Trade Organization), bilateral and multinational free trade agreements (FTAs), and issues such as investment, intellectual property rights (IPR), market access, transparency, and national treatment.

## II. Goals

The Subcommittee's goals have been to promote the expansion of U.S. export trade by highlighting the importance of various trade and investment negotiations, conveying current and emerging problems and issues in the field of export expansion, and providing advice to the President on U.S. Government plans and actions.

## III. Accomplishments

***Advancing the WTO Doha Round Negotiations.*** The Subcommittee has continually championed the WTO's Doha Development Agenda as a key pillar of U.S. trade policy. In March 2004, following the setback at the Cancun Ministerial, the Subcommittee supported then-U.S. Trade Representative Robert Zoellick's efforts to put the Doha negotiations back on track, offering pragmatic suggestions for moving forward. In May 2005, the Subcommittee again promoted U.S. leadership in the WTO Doha Round, noting that the United States stands to gain comprehensive market access opportunities from multilateral trade negotiations. In December 2005, prior to the Hong Kong Ministerial, the Subcommittee reflected upon critical issues for the success of the Round, including agriculture, industrial market access, services and trade facilitation. The Subcommittee has also stressed the importance of the Doha Round in additional letters regarding trade discussions with APEC countries and other major WTO members, such as India. In its repeated return to this topic, the Subcommittee has identified the WTO Doha Round negotiations as a priority to U.S. exporters in all sectors of the economy.

***FTAs with South Korea and Other Countries.*** The Subcommittee has also strongly backed the Administration's pursuit of bilateral and regional FTAs to achieve trade liberalization goals. In particular, the Subcommittee in July 2006 endorsed the initiation of FTA negotiations with South Korea, highlighting Korea's market access barriers to U.S. goods and services and the economic and political benefits that could flow from a successful negotiation. In May 2005, the Subcommittee supported Congressional approval of implementing legislation for the CAFTA-DR and U.S.-Bahrain FTA, and backed other negotiations with countries in the Middle East (*e.g.*, Oman) and Latin America



*Lee R. Raymond, Chairman of Subcommittee on Promotions and Negotiations*

(e.g., Colombia and Peru). The Subcommittee noted that FTAs allow the United States to move forward on market opening with trading partners that are ready for comprehensive liberalization. As other countries pursue trade liberalization, FTAs established without U.S. participation may be crafted to set precedents and promote rules and regulations unfavorable to U.S. interests.

***Balanced Foreign Investment Approval Reform.*** In June 2006, in the wake of the Dubai Ports World controversy, the Subcommittee added its voice to those calling for a balanced approach to legislative reform of the Committee on Foreign Investment in the United States (CFIUS). The Subcommittee joined with leading U.S. industry groups to warn against policy changes that would significantly hinder foreign investment inflows. The PEC noted that the United States cannot afford to wall off our economy, lest others be persuaded to follow our example.

***Addressing Concerns with China, Russia, and India.*** The Subcommittee has focused its attention on specific trade and investment barriers in major emerging economies, notably China, Russia and India. In October 2003, the Subcommittee called on the U.S. Government to work with China, in a collaborative manner, to reform China's currency policy, eliminate non-tariff barriers and trade-distorting subsidies, and open China further to U.S. service providers and investors. The activities of the U.S.-China Joint Commission on Commerce and Trade (JCCT) and the September 2006 launch of the U.S.-China Strategic Economic Dialogue (SED) demonstrate the importance the Administration has placed on achieving these goals. In September 2004, the Subcommittee highlighted commercial concerns in Russia and expressed support for negotiations on Russia's accession to the World Trade Organization. Also, in June 2007, the Subcommittee commented on the U.S. economic relationship with India, and encouraged ongoing bilateral discussions such as the U.S.-India Trade Policy Forum.

***Shaping the APEC Agenda.*** Prior to the November 2006 Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in Vietnam and the September 2007 APEC Summit in Australia, the Subcommittee outlined its recommendations on trade and investment issues in the Asia-Pacific region. In letters to the President, the Subcommittee stressed the importance of the protecting IPR, ensuring the transparency of technical standards and regulatory policies, and promoting the liberalization of capital markets and financial services. The APEC leaders' shared goal of free and open trade and investment in the Asia-Pacific region is supported by the PEC.

## IV. Recommendations

***Renewal of Trade Promotion Authority.*** The Subcommittee continues to support Trade Promotion Authority (TPA). Congress should act to renew TPA, which expired on June 30, 2007. As stated in an April 2007 letter, the failure to renew TPA will severely hinder the U.S. position in the global economy due to the necessity of TPA in negotiating trade agreements. In May 2005, the Subcommittee supported the extension of TPA under the previous legislation. In the following months, the Administration concluded FTAs with Oman, Peru, Colombia, Panama, and South Korea. If TPA is not renewed, our economic competitors will continue to negotiate trade agreements, which could give their exporters an advantage over U.S. manufactured goods, agricultural products and services in key markets if the United States is not similarly engaged.

***Strengthening IPR Protections.*** The protection of IPR has been a recurring theme from the Subcommittee. In March 2004, the Subcommittee spelled out the costs to the U.S. economy of trade in counterfeit or pirated products. The global problem of IPR infringement rights continues to grow.

The Subcommittee recommends that state-of-the-art protections for U.S. trademarks, copyrighted works, and patents should be common to *all* U.S. FTAs, and enforcement of these rules should be enhanced.

***Reforming Immigration Policy.*** The Subcommittee, in an April 2008 letter, highlighted the importance of immigration reform in maintaining a well-trained workforce that will ensure the competitiveness of the U.S. economy in the 21st century. Noting workforce shortages, particularly among individuals with graduate-level degrees in the science, technology, engineering and mathematics (“STEM”) fields, the Subcommittee recommends legislative changes to increase employment-based visa quotas, exempt STEM graduates from the green card cap, and modernize the H-1B and L visa categories to ensure talented workers remain in the United States.

# Members of the Subcommittee on Trade Promotion and Negotiations

---

**Lee R. Raymond (Chairman)**

Retired Chairman and Chief Executive Officer  
ExxonMobil

**Warren R. Staley (Vice-Chairman)**

Retired Chairman and Chief Executive Officer  
Cargill, Inc.

**John S. Chen**

Chairman and Chief Executive Officer  
Sybase, Inc.

**Arthur D. Collins, Jr.**

Chairman  
Medtronic, Inc.

**Philip M. Condit**

Former Chairman and Chief Executive Officer  
The Boeing Company

**Arnold Donald**

Retired Chairman and Chief Executive Officer  
Merisant Company

**Jack Faris (Vice-Chairman)**

Former President and Chief Executive Officer  
National Federation of Independent Business

**Juan Carlos Iturregui**

Senior Advisor  
Sonnenschein Nath & Rosenthal LLP

**Cecilia Ochoa Levine**

President  
MFI International LLC

**John A. Luke, Jr.**

Chairman and Chief Executive Officer  
MWV Corporation

**James C. Morgan**

Chairman  
Applied Materials

**Prakash Puram**

Chairman, Chief Executive Officer and  
President  
iXmatch

**Lenny Sands**

Chairman and Chief Executive Officer  
Alchemy Worldwide LLC

**John F. Smith, Jr.**

Retired Chairman and Chief Executive Officer  
General Motors

**Lee J. Styslinger III**

Chairman and Chief Executive Officer  
Altec, Inc.

**Sydney Taurel**

Retired Chairman and Chief Executive Officer  
Eli Lilly and Company

**Leon Trammell**

Chief Executive Officer  
Tramco, Inc.

**Steven R. Tritch**

President and Chief Executive Officer  
Westinghouse

**The Honorable Condoleezza Rice**

Secretary of State

**The Honorable Ed Schafer**

Secretary of Agriculture

**Mike Johanns**

Former Secretary of Agriculture

**The Honorable Elaine L. Chao**

Secretary of Labor

**The Honorable Steven C. Preston**

Former Small Business Administrator



The Honorable Hector Barreto  
Former Small Business Administrator

The Honorable Max Baucus (D-Montana)  
United States Senate

The Honorable Jim Talent (R-Missouri)  
United States Senate

**The Honorable John Cornyn (R-Texas)**  
United States Senate

**The Honorable Phil English  
(R-Pennsylvania)**  
U.S. House of Representatives



The seal of the United States House of Representatives is centered in the background. It features an eagle with wings spread, holding an olive branch and arrows. Above the eagle's head is a semi-circle of stars. The entire seal is enclosed within a larger circular border of stars.

# **Subcommittee on Corporate Stewardship**



# Subcommittee on Corporate Stewardship

---

The President's Export Council (PEC) Subcommittee on Corporate Stewardship report was not intended to be the authoritative study of American corporate stewardship in developing countries. Such a document would take years to produce – collecting the stories of thousands of U.S. companies in dozens of countries around the world.

Instead, the report was designed to provide snapshots of American business at its best. American companies are: bettering the economies of struggling countries; cleaning up the environments of polluted regions and saving others from the saw and the steamroller; reducing disease and increasing life expectancies through American medicine, American medical equipment, and American medical professionals; giving children the gift of a classroom and the knowledge necessary to stimulate their minds – minds that will help their homelands flourish when job opportunities and progressive governments await them.

As former U.S. Commerce Secretary Donald L. Evans put it in his letter at the beginning of the report, “American businesses working around the world help to foster a fertile environment that provides opportunity and possibility for millions.” The opportunities and possibilities shine far and wide – from Coca-Cola and BellSouth building schools and providing scholarships for poor Mexican and South American children, to Marriott employees providing relief to thousands of Jakartans devastated by floods.

The possibilities ring true as well for the skies, water and natural resources of developing nations, all of which can suffer when economic development disregards environmental health. American companies such as Chiquita Brands, CMS Energy, Goldman Sachs and IBM show how profit does not have to come at the expense of the environment. Businesses such as Eli Lilly, Merck, Chindex and Procter & Gamble demonstrate how America's vast medical resources – the most advanced in the world – can turn the tide on disease and poor health that ravages Africa and other regions.

U.S. companies have done so much, not only because they can – but because it is the right thing to do. As former Secretary of State Colin L. Powell said, “The private sector can generate the large amounts of capital that poor countries need to get on the road to sustained development.”

American businesses give to developing countries because it is both good citizenship and good business practice. As Michael Novak says in his essay, “‘Stewardship’ turns out to be a far larger concept today than was ever imagined before. We find ourselves feeling responsible for a whole world of urgent needs, often needs on a very deep level of politics and culture, but sometimes simple, humble needs such as clean drinking water and medicines for lifting away the burden of diseases that had gone untreated for centuries.”



*Raymond V. Gilmartin, Chairman  
of Subcommittee on Corporate  
Stewardship*

Michael Porter, the Harvard Business School professor and renowned expert on business strategy, believes business has a crucial role to play in bringing up the world's struggling economies. In his article he writes, "Companies, more than governments, foundations or other social service organizations, have a unique ability to help build healthy economies in the developing world."

Acknowledging U.S. companies for their activities is the simplest way to strengthen a commitment to corporate stewardship. Both the Department of Commerce and the Department of State have programs to recognize the good corporate practices of American businesses around the world.

The Department of Commerce established the Corporate Stewardship Award in 2003. The award demonstrates Commerce's dedication to recognizing small, medium and large businesses' efforts to balance their responsibility to employees, shareholders, and their communities. It is a philosophy that unites a company's ethical values and economic mission by stressing the importance of proper use and allocation of company resources in order to build a strong society and foster corporate responsibility to practice good citizenship.

In selecting the candidates for the award, an emphasis is put on strong economic performance as well as an effective record of corporate ethics and values, engagement in community, strategic corporate investments that benefit society, and leadership that fosters and promotes corporate stewardship. The companies that demonstrate commitment and exceptional accomplishments in those categories are rewarded with the Corporate Stewardship Award for their total performance and contribution to economic, community and social progress. For more information on this award, please refer to <http://www.uschamber.com/cccl/default>.

The Secretary of State's Award for Corporate Excellence (ACE), established in 1999, sends a strong signal of the State Department's commitment to further exemplary practices worldwide and highlights the Department's increasing role in business-related issues. The call for nominations is made each spring. American companies, large and small, are nominated by chiefs of missions at U.S. embassies and consulates around the world, and ACE winners are chosen by an interagency Award Selection Committee. The Secretary of State presents the ACE to one or more firms at a ceremony held at the Department of State in the fall of each year. The Department of State is committed to working with American business to advance best practices and to recognize the contributions of the American business community to improving lives at home and abroad. For more information on the Secretary of State's Award for Corporate Excellence program, please see <http://www.state.gov/e/eb/cba>.

The PEC Subcommittee on Corporate Stewardship recommends the formation of similar award programs to promote the importance of corporate stewardship in U.S. business. We also encourage U.S. embassies to continue their outreach to and engagement with U.S. businesses by documenting corporate stewardship assistance to countries and peoples around the world.

The PEC hopes the document is both an effective snapshot as well as a persuasive and directional signpost for companies throughout the United States and the rest of the world that business can do well by doing good – and corporations, countries and the world's citizens mutually benefit from good corporate stewardship.

# Members of the Subcommittee on Corporate Stewardship

---

Raymond V. Gilmartin (Chairman)  
Former Chairman and Chief Executive Officer  
Merck & Company

Dr. Paul S. Hsu (Vice-Chairman)  
Chairman and Chief Executive Officer  
Total Parts Plus

**Sharon Allen**  
Chairman  
Deloitte & Touche

**Cecilia Ochoa Levine**  
President  
MFI International LLC

**James C. Morgan**  
Chairman  
Applied Materials

**The Honorable Condoleezza Rice**  
Secretary of State

**The Honorable David Wu**  
U.S. House of Representatives







**Subcommittee on  
Export Administration  
(PECSEA)**



# Subcommittee on Export Administration (PECSEA)

---

## I. Introduction

The PECSEA was created in 1976 as a separately chartered subcommittee of the President's Export Council (PEC) and has dealt with a wide range of export administration issues. The charter specifies that the PECSEA will draw on the expertise of its members to provide advice and to make recommendations on ways to minimize the adverse impact of export controls on U.S. business while protecting U.S. national security, fostering U.S. foreign policy goals, and safeguarding commodities in short supply. In this report, the members of PECSEA outline the major initiatives undertaken during the George W. Bush Administration.

## II. Goals

During the past five years, the PECSEA spent the bulk of its time to strengthen and streamline export controls, shape export control legislation, and identify criteria for evaluating potential nanotechnology export controls. The Subcommittee prepared and sent, through the PEC, three letters to the President (two in 2004 and one in 2005) on these issues. The PECSEA met seven times over the past five years.

## III. Accomplishments

***Strengthen and Streamline Export Controls.*** The PECSEA established the following three working groups to identify recommendations for making improvements to the dual-use export control system in the areas of process, policy, and enforcement: Technological Developments on Existing Controls; Foreign Availability and Other Countries' Export Controls; and Dialogue Regarding Security and Economic Issues.

The following four recommendations were forwarded to the President on September 29, 2004: (1) streamlining the treatment for U.S. technology transfers by developing a process-based set of rules and developing a set of "best practices" for technology transfers; (2) initiating expanded dialogue with U.S. partners to enhance their review of license applications for sensitive items; (3) developing standard conditions which exporters can preview with the end-users; and (4) ensuring that commercial commodities that have military applications remain controlled as dual-use items.

***Export Control Principles.*** The PECSEA developed a set of principles that provided the President, the Secretary of Commerce, and legislators with a conceptual outline for a new export control statute. These included: (1) simplifying the legislative framework for our export control system; (2) providing the U.S. Government with adequate authority to respond to terrorist and proliferation activities; (3) eliminating references to Cold War-era institutions, such as COCOM; and (4) ensuring that U.S. export controls are able to evolve based on technological developments, including increased foreign availability in the global marketplace. On December 17, 2004, the PEC adopted a PECSEA letter urging that comprehensive export control legislation be a priority in President Bush's second term.



*Brian Ferguson, Chairman  
of Subcommittee on Export  
Administration*

***Nanotechnology.*** The PECSEA identified a set of general principles to assist the U.S. Government in developing a framework for evaluating the extension of export controls to nanotechnology. On December 6, 2005, the PEC approved a PECSEA letter proposing evaluation criteria for potential nanotechnology export controls. These criteria are: (1) controlled nanotechnology items must have clear military significance or potential for sensitive end use; (2) nanotechnology export controls must be multilateral in order to be effective; and (3) controls on nanotechnology must not place an unreasonable burden on the U.S. economy.

#### **IV. Recommendations**

***New Statutory Authority.*** The next PECSEA should continue the effort to seek a new dual-use export control statute that takes into account changes in the international export control system, national security concerns, and changes in economic market conditions and globalization.

***Continuation of Export Control Reforms.*** The next PECSEA should take into consideration technological progress, globalization of research and development, foreign availability, and diffusion of global supply networks - and recommendations of the DEAC.

Over the last five years, the PECSEA has witnessed many positive steps towards a much-needed modernization of U.S. dual-use export controls. The agenda for the next PECSEA should build upon these efforts to address emerging threats and changing economic conditions. This should include both strategic and administrative elements, to include development and enactment of a new dual-use export control statute; implementation of presidential directives and DEAC reforms; and identification of additional procedures to ensure that export controls are properly targeted at end-users and technologies of concern, minimize their impact of U.S. economic competitiveness and innovation, and do not inhibit the long-term health of the defense industrial base.

# Members of the Subcommittee on Export Administration

---

**J. Brian Ferguson (Chairman)**

Chairman and Chief Executive Officer  
Eastman Chemical Company

**Phillip R. (Randy) Bell**

President and Chief Executive Officer  
Nanotechnologies, Inc.

**Thomas E. Crocker**

Partner  
Alston & Bird, LLP

**William P. Crowell**

Independent Consultant  
Security & Intelligence Systems

**David W. Danjczek**

Vice President of Compliance and Ethics  
Titan Corporation

**Marynell DeV Vaughn**

Senior Manager/Counsel  
Raytheon Company

**R. N. (Fritz) Fielding**

Compliance Programs Director  
Freescale Semiconductor, Inc.

**Christopher G. Hanlin**

Director of Federal Affairs  
Sun Microsystems, Inc.

**Ramona B. Hazera**

Vice President  
Export/Import Management and Compliance  
The Boeing Company

**Rod Irvin, APR**

Vice President, Government Relations  
Eastman Chemical Company

**Zak Karamally**

Vice President  
International Trade  
Affiliated Computer Services, Inc.

**Richard G. Kirkland**

Vice President, Washington International  
Operations  
Lockheed Martin Corporation

**Felice K. Laird**

Founder and Consultant  
Export Strategies, LLC

**John R. Liebman**

Counsel  
McKenna Long & Aldridge, LLP

**J. Robert Martin**

Independent Consultant

**Karen A. Murphy**

Director, Trade  
Applied Materials, Inc.

**Dana G. Nahlen**

Senior International Counsel  
Office of Legal Affairs  
Electronic Data Systems

**Karen L. Niedermeyer**

Manager, International Trade and Foreign  
Policy Analysis  
Bayer Corporate and Business Services

**Daniel B. Poneman**

Principal  
The Scowcroft Group

**Jeremy O. Preiss**

Vice President  
Chief International Trade Counsel  
United Technologies Corporation

**Edward Rubinoff**

Partner  
Akin, Gump, Strauss, Hauer & Feld, LLP

**Frank J. Schuchat**

Partner  
Ostema, Schuchat & Gitlin, LLC

## PEC China Trip — June 2004

---

Several PEC members accompanied former Secretary of Commerce Donald L. Evans on his June 2004 trip to China. The purpose of the trip was to give PEC members an opportunity to learn first-hand about the Chinese economy and how the bilateral relationship can be managed in a win/win fashion. Secretary Evans laid out four basic themes that framed the PEC mission and the discussions: (1) the central role of trade and commerce in the overall U.S.-China relationship; (2) the importance of China's compliance with its WTO obligations; (3) the need for further liberalization of China's trade regime; and (4) ways to expand U.S. exports to China.

PEC members met in Beijing with senior Chinese government officials, including Premier Wen Jiabao, Vice Premier Zeng Peiyan, Vice Premier Wu Yi, and Minister of Commerce Bo Xilai. The discussions were friendly, while at the same time frank and candid. A range of issues were discussed, but each side emphasized a few in particular. U.S. officials stressed the need for China to address currency valuation (with free RMB convertibility the end goal) as a means to bring down the US trade deficit with China. For its part, the Chinese emphasized the need for the United States to recognize China as a “market economy” for purposes of U.S. trade law. Following the government meetings in Beijing, PEC members met in Shanghai with members of the growing private sector in China, including officials at the Shanghai stock exchange.



*Several President's Export Council Members in China*

As a follow-up activity, the PEC replied to a question posed by Vice Premier Wu Yi asking, “Why are U.S. companies not as successful in China as companies from Japan and the European Union (EU)?” The PEC concluded that no one factor was responsible for the relatively low penetration of U.S. exports vis-à-vis those of other countries. The PEC suggested that the US Government examine the question in more detail and possibly develop a “business plan” to help U.S. companies (particularly small and medium-sized enterprises) compete more effectively there.

A letter of recommendation regarding this trip can be found at [www.ita.doc.gov/pec](http://www.ita.doc.gov/pec).

## PEC Ukraine/Russia Trip — June 2008

---

Several PEC members accompanied Secretary of Commerce Carlos M. Gutierrez on his June 2008 trip to Ukraine and Russia. The purpose of the trip was to give PEC members an opportunity to learn first-hand about the two economies and how the bilateral relationships with the United States can be managed in a win/win fashion.



*Secretary of Commerce Carlos M. Gutierrez with several President's Export Council Members and U.S. Ambassador William B. Taylor in Ukraine*

PEC members met in Kyiv with senior Ukrainian government officials and private sector representatives, as well as U.S. businessmen and American Chamber of Commerce (AmCham) representatives. Also, the PEC members went on a number of site visits to see the economy in process. A range of issues were discussed and the discussions were friendly, while at the same time frank and candid. Secretary Gutierrez spoke to a public AmCham meeting, met with the President and the Prime Minister, and signed a Memorandum of Understanding with the Minister of the Economy regarding efforts to improve the U.S.-Ukraine bilateral relationship.

---

**43**

---



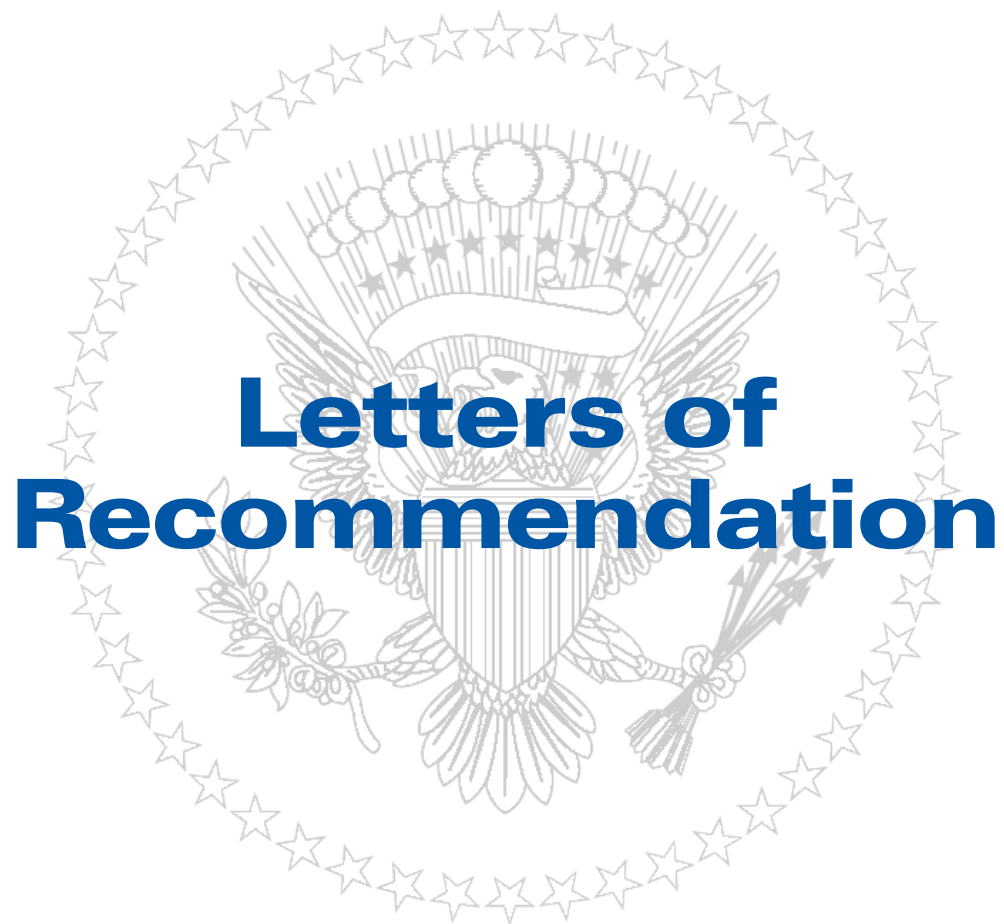
*Secretary of Commerce Carlos M. Gutierrez with several President's Export Council Members in Russia*

PEC members met in St. Petersburg with senior Russian government officials and private sector representatives, as well as U.S. businessmen and AmCham members. Here, too, the discussions there were friendly, frank and candid. The PEC members went on a site visit, participated in a Business Roundtable, met with the Governor of St. Petersburg, and attended some of the 12th Annual St. Petersburg International Economic Forum activities.

A letter of recommendation regarding this trip can be found at [www.ita.doc.gov/pec](http://www.ita.doc.gov/pec).







# Letters of Recommendation



# Letters of Recommendation

---

## *June 25, 2008 Teleconference*

- PEC Fact-Finding Trip to Ukraine and Russia – states that the countries simultaneously exhibit a commercial environment which continues to be both challenging and extremely rewarding for American business.
- Environmental Goods and Services Agreement (EGSA) – maintains that a strong agreement could yield widespread benefits around the globe by eliminating tariffs and non-tariff barriers to key environmental technologies that could boost trade in these products by an additional 7-14 percent.

## *April 8, 2008 Meeting*

- Immigration Reform – states that certain provisions should be addressed in any immigration reform legislation should include exempting highly-skilled graduates from the green card cap, increasing employment-based visa quotas, and modernizing the visa programs to ensure talented workers can remain in the United States.
- Importance of Services in Doha – calls for continuing efforts to ensure services receive the same level of attention as agriculture and Non-Agricultural Market Access (NAMA) will be critical to the successful conclusion of a Doha agreement that will garner the support of the largest and fastest-growing sector of the U.S. economy.
- Food and Product Import Safety – states that information technology can improve the ability to expedite consumer notification of product recalls. To effectuate proper notice, the manufacturer/supplier must: communicate with and give retailers notice of a product recall simultaneous to the notification of the regulatory authorities; provide retailers with precise information to enhance the rapid identification and removal of recalled products from the marketplace; and request retailers to institute a “stop sale” and block the sale of the product at the register.
- SMEs – calls for the development of an aggressive program designed to encourage and support our emerging SMEs to embrace the international market place. To help SMEs embrace and compete in foreign markets, the Council recommends the Administration consider four strategies: continue to pursue comprehensive trade agreements; encourage big businesses to use SMEs in their global supply chains; improve communication about U.S. Government programs to promote exports; and promote global recognition and use of standards and strong international rules.

## *December 4, 2007 Meeting*

- BITs with BRICs – expresses the Council’s concern with new and persistent restrictions on investment in foreign markets.

## *August 23, 2007 Teleconference*

- APEC – calls for APEC to take action on intellectual property rights issues by increasing the capacity of government agencies and enforcement officers. Civil Justice Reform – states the belief that changes in the system will strengthen the U.S. position in the global market

### *June 7, 2007 Meeting*

- Capital Markets – states that maintaining the global preeminence of U.S. capital markets is critical to the long-term health of the economy, industry and U.S. export performance.
- U.S. – India Trade – suggests that opening up protected markets in India is critical to the continued growth of the Indian economy. Furthermore, the letter states that particular attention should be paid to bilateral trade issues.

### *April 24, 2007 Teleconference*

- Trade Promotion Authority – calls for the Administration to work with Congress to renew Trade Promotion Authority (TPA).

### *January 18, 2007 Meeting*

- Western Hemisphere Travel Initiative – urges your involvement in and monitoring of the implementation process.
- Radio Frequency Identification – asks that the Administration continue to support our nation's competitiveness by supporting RFID.

### *November 1, 2006 Teleconference*

- APEC Heads of State Meeting – provides recommendations to improve the business climate in the Asia-Pacific region.

### *July 19, 2006 Meeting*

- Avian Flu Preparedness – expresses approval of the Administration's preparedness effort, and highlights major issues the Council feels the Government could explore further.
- Immigration – calls for a comprehensive immigration reform bill.
- U.S. – Korea Free Trade Agreement – supports the Administration's decision to begin Free Trade Agreement (FTA) negotiations with the Republic of Korea.

### *June 26, 2006 Teleconference*

- Foreign Direct Investment and CFUIS Reform – expresses concern about the direction of the current debate on the foreign investment approval process.

### *December 6, 2005 Meeting*

- Acquisition of Visas – advocates the establishment of a system, with due regard for national security, of sponsored visa applications for American companies to meet certain standards so visitors/customers are not subject delays or arbitrary denials that can hinder business.

- Foreign Government Monopoly Abuse – cites concern about practices by monopolies authorized or established by foreign governments that create trade barriers by using their advantages to compete unfairly in the markets open to private competition.
- Innovation – recommends the U.S. Government should foster innovation and increased competitiveness.
- The Hong Kong Ministerial – states its continued support of the trade agenda.
- Nanotechnology – recommends the U.S. Government conduct the research and analysis necessary to establish an approach to export controls for the emerging field of nanotechnology, which balances nanotechnology’s economic benefits with national security concerns.
- Small Businesses & Competitiveness – recommends the U.S. Government outline a national vision for increasing our competitiveness through technology.
- Doing Business in China – suggests the U.S. Government develop a “business plan” to assist U.S. companies to become more competitive in China.

### *May 25, 2005 Meeting*

- U.S. Government Corporate Stewardship Efforts – commends the important efforts the U.S. Government has devoted to recognizing and supporting corporate stewardship, and encouragement for expanded efforts.
- Services Statistics – communicates the Council’s request for improved data collection of trade in services to better analyze the effects of U.S. trade policy and policies of our trading partners.
- Trade Promotion Authority, the World Trade Organization, and Free Trade Agreements – expresses the Council’s support for Trade Promotion Authority (TPA), the World Trade Organization (WTO), and pending trade agreements and negotiations.

### *December 17, 2004 Teleconference*

- Export Control Legislation – expresses the Council’s desire for you to make new comprehensive export control legislation a priority in your second term.

### *September 29, 2004 Meeting*

- Security, Trade and Travel – outlines the Council’s view regarding the need to keep the nation secure while maintaining the dynamic flow of goods, services, and people.
- No Child Left Behind Act – communicates the Council’s request that you and Congress stay the course and adhere to the planned implementation of the No Child Left Behind Act.
- Standards – conveys the Council’s request that the Administration assist American exporters by addressing concerns over the use of standards by our trading partners as non-tariff barriers.

- U.S. – Russian Commercial Issues – expresses the Council’s desire for strengthening our trade and economic relationship with Russia.
- Export Controls – articulates the Council’s support of the Administration’s policy to strengthen export controls on sensitive commodities without unnecessarily burdening U.S. industry.

### *August 19, 2004 Teleconference*

- Report on the President’s Export Council Trip to China – conveys a report that summarizes the Council’s fact-finding trip to China.
- Annex to the Council Letter on China addressing U.S. Competitiveness in China - addresses a question posed by Vice Premier Wu Yi as to why China’s imports from the United States are lower than its imports from other trading partners, such as the EU and Japan.
- The Power to Help: U.S. Businesses Creating a Better Tomorrow - the report features the corporate stewardship activities of more than two-dozen companies, including many of the companies whose leaders serve on the President’s Export Council.

### *March 17, 2004 Meeting*

- Worldwide Sourcing – states the Council’s belief that efforts to restrict worldwide sourcing would be seriously damaging to the U.S., and indeed, the global economy.
- Unilateral Sanctions – communicates the Council’s request that you reinstitute and bring to rapid completion the review of the U.S. policy of unilateral sanctions that was started at the beginning of your Administration.
- Post-Cancun Issues – outlines the Council’s suggestions for addressing potential areas of controversy and additional steps in future Doha Round WTO negotiations.
- IPR and Investor Protections – expresses the Council’s desire for strengthening intellectual property rights and investor protections in future trade negotiations.

### *October 1, 2003 Meeting*

- Establishment of a Corporate Stewardship Compendium – states the Council’s intent to prepare a compendium chronicling examples of corporate stewardship.
- Services Negotiations – requests continued efforts for services liberalization in bilateral Free Trade Agreements, the Free Trade Agreement of the Americas, and the Doha Round.
- U.S. - China Commercial Issues – addresses the Council’s concerns regarding China, such as currency, non-tariff barriers, subsidies, dumping, investment and services.



THE WHITE HOUSE  
WASHINGTON

March 6, 2008

Mr. J.W. Marriott, Jr.  
President  
The President's Export Council  
Washington, D.C. 20230

Dear Mr. Marriott:

Thank you for your letter supporting the pursuit of bilateral investment treaties that will secure market access and fair treatment for U.S. investment abroad and urging that we maintain an open investment climate at home.

As both the world's largest investor and the world's largest recipient of investment, the United States has a key stake in promoting an open investment regime. In a statement issued on May 10, 2007, I made clear that my Administration unequivocally supports international investment in this country and is equally committed to securing fair, equitable, and nondiscriminatory treatment for U.S. investors abroad. Both inbound and outbound investment benefit our country by stimulating growth, creating jobs, enhancing productivity, and fostering competitiveness that allows our companies and their workers to prosper at home and in international markets.

I appreciate your support for the negotiation of bilateral investment treaties with Brazil, Russia, India, and China. We are actively engaged in exploratory discussions with Russia, India, and China and have had preliminary conversations with Brazil. Our engagement with each of these countries has been positive, and I am hopeful that we will make further progress in the months ahead.

I thank you and the other members of the PEC for your recommendation and for your wise counsel on international trade and investment matters.

Sincerely,

A handwritten signature in black ink, appearing to read "George W. Bush".

George W. Bush

## References

---

This report, as well as PEC letters of recommendation and reports, are available on the internet.

To obtain access to the PEC's Internet website, please go to <http://www.ita.doc.gov/pec> or call the PEC Executive Secretariat at 202.482.1124.



# Notes

---

# Notes

---



