

INTERNATIONAL BUSINESS

The OECD Marks 50 Years of Progress

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OECD Secretary General Angel Gurría at a 50th anniversary reception organized by USCIB and the State Department



Peter M. Robinson, President and CEO, USCIB

***Bigger, more representative, and
more critical than ever***

The OECD at 50

A large part of USCIB's value as a worldwide advocate for American business derives from its access to, and work with, key multilateral organizations. One of the most important of these is the Organization for Economic Cooperation and Development (OECD), the Paris-based institution that now encompasses 34 democratic market economies.

The OECD coordinates economic policies and compares performance among North America, Europe, Japan, Korea, Australia and New Zealand, as well as new members like Chile and Israel. Russia is applying for membership in the OECD, and the organization works with major non-member economies like China and India through an "enhanced engagement" program. As the U.S. member of the OECD's Business and Industry Advisory Committee (BIAC), USCIB and its members play a direct role in the organization's work.

With its origins in the Marshall Plan following World War Two, the OECD celebrates its 50th anniversary this year. On a beautiful spring evening in April, USCIB helped mark this milestone by organizing a high-level reception, hosted by the State Department in its prestigious Diplomatic Reception Rooms.

Within sight of the Capitol, the Washington Monument and the Lincoln Memorial, nearly 300 guests from business, government, labor and the diplomatic corps heard from Under Secretary of State **Robert Hormats**, OECD Secretary General **Angel Gurría**, U.S. Ambassador to the OECD **Karen Kornbluh**, and the chairmen of the OECD's principle consultative groups – **Charles Heeter** of BIAC and **Richard Trumka** of the Trade Union Advisory Committee (TUAC).

The gathering represented solid cross-sectoral support for the OECD. I capped off the remarks with a toast to the OECD's next 50 years. Special thanks to the companies and organizations that lent their support to the event: AT&T, Deloitte, Dow Chemical, the Emergency Committee for American Trade, ExxonMobil, the National Association of Manufacturers, the National Foreign Trade Council, TransAtlantic Business Dialogue and the U.S. Chamber of Commerce.

As Mr. Hormats noted in his remarks, the story of the Marshall Plan, and the OECD's eventual creation, illustrates the importance of leadership and perseverance in international economic issues. After World War Two, President Truman recognized that his own unpopularity in the U.S. Congress might jeopardize the preeminently important goal of European reconstruction, and so he asked his secretary of state, General George Marshall, to lead this important initiative.

Even with General Marshall's enormous prestige, it was not a given that the Congress would approve the package until the Soviets crushed an uprising in the occupied nation of Czechoslovakia, thereby making clear the potential costs of inaction.

Over the ensuing decades, European statesmen like Jean Monnet and Robert Schumann sought to strengthen the democracies of Western Europe, providing a beacon for the eventual liberation of Eastern and Central Europe from the Soviet yoke. Meanwhile, the OECD extended its vision to encompass nations from every region of the world, demonstrating how widely – indeed universally – held are the aspirations for freedom and betterment that originally bound its members together.

From the outset, consultative mechanisms for both business and labor have ensured that OECD policies are developed in close consultation with key economic actors and enjoyed broad support from the private sector. BIAC has grown along with the organization itself to encompass leading business and employers' federations from all of the OECD nations, plus observer groups from key emerging markets and candidate

countries. (See the message from BIAC's chairman and secretary general on the following page.)

A short list of American business priorities in the OECD includes: **taxation**, where the OECD plays a central role in coordinating tax policies among major hosts of American investment around the world; support for **open markets**, including the emerging issue of competitive neutrality for state-owned enterprises; the future of the **Internet**; and the **OECD Guidelines for Multinational Enterprises**, which are in the process of being updated and revised with strong business input. But the OECD's work in fact permeates nearly all of USCIB's policy activities.

In May, Secretary of State **Hillary Clinton** will co-chair this year's OECD anniversary ministerial in Paris. We want to use the occasion of this important anniversary to remind all our members and friends of the guiding principles that brought the founders of the OECD together, and of the important work yet to be done. The OECD's role is more critical than ever. Here's to the next 50 years!

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



At USCIB's April reception marking the OECD's 50th anniversary, L-R: Under Secretary of State Robert Hormats, BIAC Chairman Charles Heeter (Deloitte), OECD Secretary General Angel Gurría, U.S. Ambassador to the OECD Karen Kornbluh, TUAC Chairman Richard Trumka (AFL-CIO), USCIB President and CEO Peter Robinson.

Reflecting on 50 Years for OECD-BIAC

By Charles P. Heeter, Jr. and Tadahiro Asami

The OECD is celebrating its golden anniversary, having signed its founding Convention in December 1960. BIAC will also turn 50 during 2011-2012, having been initiated during 1961 and officially constituted on March 9, 1962.

Created a half century ago as a forum in which governments could work together to share experiences and seek solutions to common problems, the Organization for Economic Cooperation and Development (OECD) has emerged as the international organisation championing higher standards – standards of quality and performance in government policy that support our work as businessmen and women and the success of our enterprises.

Among the OECD's core strengths is its ability to offer its members a framework to compare experiences and examine "best practices." Much of the OECD's authority and effectiveness stems from the fact that it is not trying to impose policies or binding obligations on government – although there are some of these too – but that its work demonstrates to governments what works and what doesn't, and helps them tailor "best practices" to their particular circumstances. This is fact-based analysis backed by experience.

Why is business input important to the OECD? – The critical point is that we provide first-hand, on-the-ground, and in-the-marketplace experience and advice. The OECD's facts and analysis are informed by what is happening in the real world, the real economy.



Signing of the OECD Convention, Quai d'Orsay, Paris, December 14, 1960
(Photo: OECD)



Tadahiro Asami



Charles P. Heeter

Charles P. Heeter Jr. is the Chairman of BIAC, and a Managing Director with Deloitte Touche Tohmatsu Limited. Tadahiro Asami is the Secretary General of BIAC.

The working relationship between the OECD and BIAC was defined in 1962 when the OECD Council officially recognized BIAC as being representative of the OECD business community. This OECD/BIAC relationship has served both organisations for their mutual benefit, and has proven effective and resilient. It has also helped to make the OECD unique among international organizations.

BIAC provides direct links with the private sector employers it represents – the USCIB in the United States for example – thereby decisively influencing the quality of services the OECD provides. This makes the OECD, while maintaining sovereignty over its work, more able to produce policy guidance that reflects what is happening in the real world, the real economy. This past half century of experience has proven that this mechanism works well, serving effective policy dialogue between business and the OECD.

Moreover, both organizations have grown closer and closer over the years, as exemplified by the support that OECD Secretary General Angel Gurría has given to BIAC – he has been an unfailing friend in bringing BIAC, and our labor union counterpart TUAC, into the OECD's policy development processes all the way to the ministerial level.

BIAC is proud to have been a partner of the OECD for all of the past 50 years. While it's a privilege to have contributed to the OECD's work, we also believe that bringing in the views of business, and of labor, has added to the quality of the organization's policy recommendations and advice.

On this occasion it's important to remind ourselves of the important contributions the OECD has made to building a better global business environment:

- The OECD was the first to develop the concepts for addressing trade in services and intellectual property issues in a trade context 30 years ago
- It was the first to develop a binding agreement to address corruption with the OECD Anti-Bribery Convention
- It was the first to tackle issues related to the governance of companies with its Principles of Corporate Governance
- It was the first to address export credit subsidies

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McGraw-Hill CEO Is Elected Vice Chair of World Business Body

In February, the world council of the International Chamber of Commerce (ICC), USCIB's Paris-based affiliate that represents private-sector views to global institutions and national governments worldwide, elected USCIB Chairman **Harold McGraw III**, chairman, president and chief executive officer of The McGraw-Hill Companies, to serve as its vice chairman. ICC's World Council also confirmed **Jean-Guy Carrier** as secretary general.

ICC is the world business organization that represents private-sector views to national governments and intergovernmental bodies around the world. It advocates for free trade and the market economy, working through a network of national affiliates in over 120 countries. USCIB serves as ICC's American national committee.

"ICC continues to serve as a strong business advocate during a time when governments around the world are making policy decisions that will shape the global economy for decades to come," Mr. McGraw said. "To create a stronger and more sustainable global business environment we must not delay pursuing an agenda that promotes trade, investment and the completion of the Doha Round; addresses the challenge of global climate change; encourages high-tech innovation; and improves the protection of intellectual property."



Harold McGraw III

Mr. McGraw, who has chaired USCIB since last year, succeeds **Stephen Green**, former chairman of HSBC, who has gone on to become U.K. trade minister. He joins ICC Chairman **Gerard Worms**, vice chairman of Rothschild Europe, and ICC Honorary Chairman **Victor Fung**, chairman of Li & Fung Group, in the world business body's senior leadership.

Before his appointment as ICC's secretary general, Mr. Carrier was director of programs for the ICC Research Foundation and will continue in that role. Prior to joining ICC, he held senior positions in business and with international organizations, most notably the World Trade Organization. He is the author of several books and has published numerous articles in national and international media.

"It is an honor to be part of such a unique global business organization," said Mr. Carrier. "ICC provides a forum for companies and other business organizations to examine and better comprehend the major shifts happening in the world economy. Working with the business community worldwide to help shape the economy of the future is an exciting challenge and responsibility." ■

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USCIB Urges Active Trade Agenda

Providing its views on the Obama administration's trade policies and outlook, USCIB submitted written testimony to a February 9 hearing in the House Ways and Means Committee, calling on the administration to "pursue an active trade and investment agenda to open global markets."

USCIB commended the administration for finalizing the U.S.-Korea free trade agreement, for pledging to double U.S. exports over five years, and for moving forward on the Trans-Pacific Partnership negotiations. It also said efforts to improve enforcement of existing trade agreements, especially through the World Trade Organization, had been helpful.

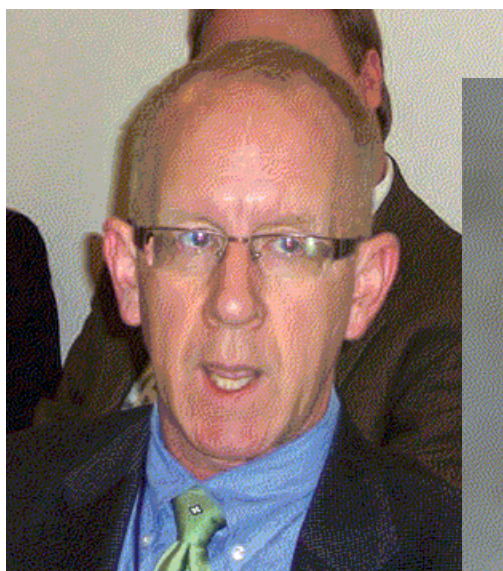
But much more could be done to open global markets for U.S. business, according to USCIB. The testimony stated: "The key elements of a trade and investment agenda should include: completing the Free Trade agreements with Korea, Colombia and Panama; concluding an ambitious Doha Agreement in the World Trade Organization; moving forward with the Trans-Pacific Partnership negotiations to reach a high-standard trade framework; identifying new bilateral and multi-lateral trade initiatives with significant economic partners; addressing ongoing U.S.-Chinese trade

and investment issues; accelerating work on investment treaties that will ensure protection of U.S. business investments in other countries; and aggressively promoting U.S. exports of clean technologies and environmentally-friendly goods and services."

USCIB urged the administration to act "quickly and decisively" and to undertake new trade initiatives with leading trading partners in the near term.

On March 1, U.S. Trade Representative Ron Kirk released the Obama administration's trade agenda. "This agenda reflects our commitment to a job-focused, comprehensive trade policy that benefits American businesses and workers as well," he said.

Mr. Kirk said his office has finished preparing the Korea free trade agreement for submission to Congress. He also stated that the Colombia and Panama FTAs will require "weeks or months" of additional work to finalize, and that the administration intends to press ahead and seek approval of just the Korea pact at this time. Trade proponents on Capitol Hill and in the business community have urged that the Colombia and Panama pacts be quickly finalized so that Congress can consider the three FTAs at the same time. ■



Assistant U.S. Trade Representative Chris Wilson (left) briefs USCIB's Trade and Investment Committee; USCIB Senior Vice President Rob Mulligan (right) drafted USCIB's trade testimony.

USCIB Applauds Progress on Colombia Trade Agreement

On April 6, USCIB welcomed an announcement of major progress to finalize the U.S.-Colombia free trade agreement. It urged swift consideration of the market-opening deal by Congress.

"We commend the Obama administration for making completion of this agreement a top priority," stated USCIB President and CEO **Peter M. Robinson**. "From the business perspective, this agreement will level the playing field, since many Colombian products already enter the U.S. duty-free. We also believe that the U.S. has a compelling foreign policy interest in supporting a democratic ally like Colombia through enhanced economic ties."

Once the agreement is ratified, 80 percent of U.S. exports of consumer and industrial products to Colombia would become duty-free, with the remaining tariffs phased out over the next 10 years. More than half of U.S. agriculture exports to Colombia would also become duty-free, with almost all tariffs eliminated within 15 years.

Mr. Robinson said he was gratified that the agreement's labor provisions are based on the May 2007 bipartisan trade deal that incorporates the International Labor Organization's 1998 *Declaration on Fundamental Principles and Rights at Work*, which was developed at the initiative of USCIB and the other business constituents of the ILO.

"Colombia has clearly demonstrated its willingness to work with the ILO to meet its international commitments," he stated. "We encourage the United States to support the role of the ILO to help its member states realize the principles of the ILO Declaration in their national laws."

Mr. Robinson said USCIB strongly supports ratification of the Colombia, Korea and Panama FTAs, as well as completion of the WTO's Doha Round and other market-opening initiatives.

USCIB Meets With Customs Chief

In March, USCIB members and staff met with U.S. Customs and Border Protection (CBP) Commissioner **Alan Bersin** and his senior staff, to share USCIB's priority recommendations for CBP. The group applauded Commissioner Bersin for his outreach to the business community, and took the opportunity to highlight areas in which CBP could further strengthen its relationship with U.S. business. Among its key priorities, USCIB encouraged CBP to strengthen its trusted trade program, the Customs-Trade Partnership Against Terrorism (C-TPAT), to focus its core benefits on the pre-trade and post-trade events of the supply chain, and to develop substantial commercial benefits for Tier 2 and Tier 3 C-TPAT participants.

USCIB was represented by Customs Committee Chair **Jerry Cook** (Hanesbrands), **Rob Mulligan**, senior vice president for Washington, **Cindy Duncan**, senior vice president for Carnet operations, and **Nasim Deylami**, manager of customs and trade facilitation, plus member executives from Cisco, DHL Express, FedEx, Pfizer, the law firm of Sandler, Travis & Rosenberg, and the U.S. Chamber of Commerce.

USCIB provided Commissioner Bersin a provisional list of 18 benefits envisioned for C-TPAT participants, which Commissioner Bersin welcomed, thanking USCIB for providing concrete goals for CBP to achieve. During the discussion on benefits,

USCIB also urged CBP to ensure that benefits of mutual recognition programs are realized by business as well as customs authorities. Another key priority for USCIB is the implementation of a commercially acceptable air cargo security program, in which CBP and the Transportation Security Administration work together to sup-

port the creation of a security regime that simultaneously accounts for operational realities faced by importers and air carriers while protecting national security.

Commissioner Bersin pledged to study the air cargo security pilot programs currently underway to determine how they are impacting importers, and assured USCIB that CBP would work with TSA and business to implement a practical program.

The USCIB group also had the opportunity to thank CBP for positive steps the agency has taken toward increasing the current values for de minimis and informal entry shipments, and for the strong relationship CBP has maintained with ATA Carnet. Ms. Duncan thanked CBP for its appreciation of ATA Carnet training conducted by USCIB. She requested that CBP encourage the U.S. to accede to the WCO Istanbul Convention on Temporary Admission and take a leadership position on efforts to craft an eCarnet in the World Customs Organization or other forums.

Other issues discussed at the meeting included funding for the Automated Commercial Environment (ACE) program, interdiction of counterfeit medicines and general enforcement of intellectual property rights. ■



Customs and Border Protection officials meet with USCIB. From right: CBP Commissioner Alan Bersin, Assisant Commissioner for Trade Al Gina and Director of Trade Relations Maria Luisa O'Connell. (Photo: CBP)

Reflecting on 50 Years at OECD-BIAC - continued from page 3

- The first to warn of investment protectionism
- And now it is the first to address the potentially distorting effects of state-owned enterprises and the need for competitive neutrality.

The list could go on, but the point is clear – all these initiatives and instruments have improved the ability of companies to compete in the global marketplace on a fair basis.

The pace of change in today's business world is fast and unrelenting. We don't know the many challenges we will encounter in the coming years. But BIAC certainly believes that we continue to need an international organization that brings our societies together to address global issues on the basis of facts, analysis, experience and reason – as the OECD has done so successfully for the past 50 years.

Building on our common history and looking ahead to the next 50 years, BIAC sees an increased role for the OECD in the global economic architec-

ture. Enlargement and global outreach of the OECD is the top priority to maintain the Organization's policy relevance, particularly given the rise in prominence of the G20.

In line with the OECD's outreach, BIAC has increased its global relevance by strengthening ties with business communities from non-OECD countries; welcoming eight business organizations as observers from Argentina, Brazil, India(2), Latvia, Morocco, Russia, and South Africa. We continue this outreach as a high priority in our work.

As the OECD celebrates its 50th anniversary, BIAC congratulates the Organization for its many accomplishments and is proud of being a partner and "member of the family" since the beginning. BIAC stands ready to continue working constructively with the OECD to improve the policy space for open market activities, and thus stimulate economic growth. ■

Business Seeks to Take UN Green Growth Talks to “the Next Level”

Under the auspices of USCIB's affiliate the International Chamber of Commerce (ICC), business representatives were front and center at UN preparatory talks in February in advance of next year's landmark “Rio+20” environmental summit.

Martina Bianchini, director of EU government affairs and public policy for the Dow Chemical Company, and chair of ICC's Green Economy Task Force, led the world business organization's delegation to the 2011 UN Environment Program (UNEP) ministerial and governing council meetings.

The meetings, held February 17-24 in Nairobi, brought together environment ministers from over 80 countries to consider critical next steps in preparing the environmental input to the Rio+20 Conference in 2012. Issues under discussion included new measures on chemicals, e-waste and heavy metals, and options to strengthen international environmental government institutions.

Speaking at a forum attended by UNEP Executive Director **Achim Steiner** and U.S. Environmental Protection Authority Administrator **Lisa Jackson**, Ms. Bianchini said: “Business supports international cooperation towards greening economies and jobs. In our view, to reach its full potential, the green economy concept must become global, seeking to green all elements of the economy. The objective is to foster innovation, rather than mandate it.”

The ICC Green Economy Task Force plans to review and provide com-

ments on the UNEP Green Economy Report, which was released at the Nairobi meetings. Attending the UNEP meetings, **Norine Kennedy**, USCIB's vice president for energy and environmental affairs, highlighted the report's importance for considering how businesses across all sectors will contribute to progress towards environmental innovation, job creation and economic growth. “The right enabling frameworks will amplify the opportunities for greener technologies and investments needed to take sustainable development to the next level,” she said.

Green economy, green growth policy and market options are being discussed in the G20, the OECD and a variety of other intergovernmental forums. The “greening” of economies and jobs is seen as a response to a variety of economic, food, energy and environmental crises, and is an organizing theme of the UN Conference on Sustainable Development to take place in Rio in 2012.

The ICC Green Economy Task Force was launched in October 2010 to provide international and multi-disciplinary business input via BASD2012 to Rio+20 preparations, and to engage with UNEP and other intergovernmental forums. ICC will also co-host the UNEP global business dialogue in April to provide more in depth comments on the Green Economy Report, and showcase business' major contributions in delivering jobs, investments and solutions required for the transition to a green economy. ■



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Global Trade Recovery

Global trade flows rebounded around the world in 2010, according to an ICC survey of 210 banks in 94 countries, but high pricing meant that poorer countries still faced difficulties getting adequate financing for trade, particularly for import finance. "What is needed now is a more targeted use of resources, focusing on the poorer countries and small and medium sized enterprises around the world," said **Pascal Lamy**, director general of the World Trade Organization. "They should not be paying the high price for the repair and re-regulation of the global finance industry."

ICC Elects New Chairman

ICC has named **Gerard Worms**, vice chairman of Rothschild Europe and chair of ICC France, to be its new chairman succeeding **Rajat Gupta**, who has requested that his membership on ICC's Executive Board be suspended. Having chaired ICC France for the past three years, Mr. Worms brings strong business credentials and excellent contacts with major governments, including in his home country, which will host this year's G20 Summit.

ICC Chief Joins UN Global Compact Board

ICC Secretary General **Jean-Guy Carrier** has been appointed to the board of the UN Global Compact, the world's largest voluntary corporate citizenship initiative encouraging companies to align with key UN principles including human rights, labor, environment and anti-corruption. Mr. Carrier will contribute a world business perspective on the Compact's work as the UN's highest-ranking advisory body representing more than 8,700 corporate participants and other stakeholders from at least 130 countries.

Global Economic Climate at Four-Year High

World economic confidence has reached its highest level since 2007, according to a survey from ICC and the Munich-based Ifo Institute for Economic Research. The world economic climate indicator rose significantly, after a slight decline in the fourth quarter of 2010, and is now above its long-term average. It rose based on assessments from 1,117 experts in 119 countries who responded to the survey questions on both the current situation, as well as the six-month outlook.

Hostage-Taking at Sea Rises to Record Levels

More people were taken hostage at sea in 2010 than in any year on record, according to ICC's global piracy report. Pirates captured 1,181 seafarers and killed eight. A total of 53 ships were hijacked. The number of pirate attacks against ships has risen every year for the last four years, ICC's International Maritime Bureau revealed. While attacks off the coast of Somalia remain high, accounting for 92 percent of all ship seizures, the number of incidents in the Gulf of Aden more than halved last year. Violent attacks continued around Nigeria, and the number of armed robbery incidents rose in Indonesia and Bangladesh. ■



**Business and Industry Advisory
Committee to the OECD**
www.biac.org



**International Organization
of Employers**
www.ioe-emp.org

OECD's 50th Anniversary Celebrated in Budapest

At BIAC's Annual General Assembly, held in Budapest in April, over 120 international business leaders and policy makers discussed how the OECD and the international business community have worked together to promote open markets and job creation since the OECD's founding 50 years ago. "Today's generation of business and government leaders have faced no challenge more daunting than helping their societies adjust to and reap the potential rewards of globalization," stated BIAC Chairman and USCIB board member **Charles P. Heeter** (Deloitte). "Progress in meeting this challenge would have been far more difficult without the enormous contributions of the OECD." Hungarian Prime Minister **Viktor Orbán** praised the work of BIAC and the OECD, highlighting the importance of the OECD's support to his country's economic growth since Hungary joined in 1996. USCIB President and CEO **Peter Robinson** and Executive Vice President **Ronnie Goldberg** attended the assembly.

Strengthening Indonesia's Investment Climate

Eager to work with OECD to strengthen his country's economic development, Indonesian Finance Minister **Agus Martowardojo** led a high-level seminar on Indonesia's investment climate at the OECD's Paris headquarters in February, bringing together senior representatives from OECD and non-OECD countries. Following upon the release of an OECD investment policy review of Indonesia, discussions focused on the need to strengthen infrastructure via public-private partnerships, as well as improving governance, increasing transparency, improving implementation of laws, reforming the tax system and reducing bureaucratic red tape.

ILO Investigates Venezuela Attacks

This summer, a high-level tripartite mission will examine continuous violations of the Venezuelan business community's fundamental rights and report its findings to the International Labor Organization's (ILO's) Governing Body at its November 2011 session. USCIB affiliate the International Organization of Employers (IOE) and the Venezuelan employers' federation, FEDECAMARAS, will examine the complaints of attacks against the Venezuelan business community's fundamental rights. IOE Secretary General **Antonio Peñalosa** said the IOE was pleased that the government had accepted the mission and opened the door to dialogue to resolve the multiple business complaints that accumulated at the ILO, to which the Venezuelan authorities had until now refused to respond.

Deloitte.

Deloitte congratulates the OECD on its milestone 50th anniversary and salutes the U.S. Council for International Business and the Business and Industry Advisory Committee for their sustained advocacy of the programs and priorities that drive global economic development and growth.



China Embraces Self-Regulation of Marketing

The country's first-ever self-regulatory advertising code is based on a model developed by the International Chamber of Commerce.

For many years, while the state in China is the key purveyor of law and regulation, the Chinese private sector often works on its own to enforce norms and expectations of government. So it is quite interesting to note that China has embraced self-regulation in the marketing and advertising sector.

In April, as part of the first Global Advertising Week to be held in Beijing in the event's 58-year history, the China Association of National Advertisers, the China Advertising Association and the China Advertising Association of Commerce jointly adopted the first set of ethical standards for the entire marketing industry in China.

Advertising Committee and associate general counsel at Microsoft. "Building its code on global industry best practices set by ICC is a significant development in bringing the Chinese advertising market into greater coordination with the rest of the world. Furthermore, self-regulation enhances trust between businesses and customers, a vital concern for industry as Chinese consumer demand continues to grow."

China is forecast to surpass Germany next year as the world's third-largest advertising market.

USCIB actively contributes to promoting advertising and marketing self-regulation around the world. Currently, USCIB's Marketing & Advertising Committee is in the final stages of helping to update the ICC's most recent marketing code. Key new provisions include transparency and control principles around online behavioral advertising for the first time at the global level. Once approved, the ICC's global standards can then be taken up by regional and national self-regulatory frameworks, as in the case of China and elsewhere.

"The new Chinese Code is not only an opportunity for industry to demonstrate its commitment to ethical marketing practice, it will assist industry to engage

the Chinese government as it updates and revises its current advertising laws, a process that has been ongoing," said Mr. Sanders. "All self-regulatory frameworks build on core laws and regulation."

Stephan Loerke, WFA Managing Director, adds "I congratulate the Chinese marketing industry on this important step. In a successful consumer-led economy, trust in brand communications is critical. This code is a significant first step towards establishing effective advertising standards in China."

Self-regulation in marketing and advertising, whether in China or elsewhere in the world, is less about government versus industry than about finding ways to ensure principled commerce. Building trust between consumers and business is clearly on China's agenda, and that is a good thing. ■



USCIB Marketing Committee Chair Brett Sanders of Microsoft (center) along with USCIB's Justine Badimon and Chris Martin (second and fourth from left) and members of the China Advertising Association at a 2010 meeting to promote self-regulation.

The China Responsible Marketing Code was developed by the three ad industry associations in close consultation with the World Federation of Advertisers, and multinational and Chinese companies. The Code is built on the global advertising code from the International Chamber of Commerce (ICC), USCIB's affiliate. The ICC code serves as baseline model for other countries, requiring that all marketing and advertising communications be legal, decent, honest and truthful. Brands must apply established principles of fair competition and recognize the special care required in marketing to children and young people. The Chinese Code also includes provisions for medical, health product, food, alcohol and cosmetics advertising.

"U.S. business strongly supports Chinese efforts to develop an advertising self-regulatory system," said **Brent Sanders**, chair of USCIB's Marketing &

Smashing Pumpkins

The New York Philharmonic Orchestra, Tour de France bicycle racers, NBC Sports – even the rock band Smashing Pumpkins: all have used an ATA Carnet when shipping valuable equipment overseas. And so has **Bob Carbo**, who, as it happens, knows a thing or two about smashing pumpkins himself.

Carbo used a Carnet, a document that speeds equipment and other goods through customs, when he shipped his pumpkin catapult to a “punkin chunkin”

contest in Belgium last summer. The organizers wanted an American team, and Carbo accepted the invitation because it was his first opportunity to show off his skills outside the United States.

A Carnet user catapults to the top of his field

Punkin chunkers, as they call themselves, use catapults to shoot pumpkins high and far, much as medieval armies built them as weapons for hurling projectiles over the walls of enemy forts and castle. Carbo started com-

peting 15 years ago after reading a newspaper announcement about a punkin chunkin contest. He went, he saw, and he was hooked.

He built his own catapult, using wood, steel and rope, modeled after an ancient Roman type that he discovered during his research. “It was very powerful, especially for its size, and somewhat portable,” Carbo explained. The 11-foot high catapult rests on a trailer that Carbo tows with his pick-up truck.

The highlight of the year for pumpkin hurlers is the World Punkin Chunkin Championship, held in Delaware each fall. Last year it drew 110 teams. Carbo placed third, with a personal best of 2,196 feet.

But getting the 3-ton machine to Europe presented a different kind of challenge. “I had never shipped anything like this before, so it was all new,” said Carbo, whose smart business decisions show that he’s definitely not out of his gourd. He found a freight forwarder called Ship Overseas that booked Onager on a ship sailing from Baltimore to the port of Zeebrugge in Belgium.

Jack Friedman, president of Ship Overseas, suggested that he look into getting a Carnet. “I thought this was a good idea because it might help to get through Customs. We thought they might raise some questions because the catapult’s a medieval weapon,” Carbo laughed. “The other big thing was that we didn’t have to pay any taxes or duties.”

Carnets are merchandise passports that enable users to avoid extensive customs procedures, payment of duties and value-added taxes for the temporary importation of various types of goods. They normally cover products such as commercial



Bob Carbo in medieval garb atop the Onager, his pumpkin catapult, at the European “punkin chunkin” championships in Belgium.

samples, professional equipment, and goods for trade shows and exhibitions. They are also used for special items, such as precious works of art displayed in museum exhibitions, race horses, and satellites.

By using a Carnet, Carbo was able to avoid Belgium’s 10 percent customs duty and 19 percent value-added tax.

The tournament was held Sept. 5 in a small Belgian town called Bikschoote. “They call it the European Punkin Chunkin Championship, but we were the only one of the 13 teams not from Belgium,” he said.

Carbo doesn’t have any plans for competing in other events outside the U.S., but says “I’d love to do it again. Maybe some other country will invite us.” And if it does, he plans to use a Carnet to help him get there.

“An international competition for catapulting pumpkins. Who’d a thunk it?” quipped **Cynthia Duncan**, who heads USCIB’s Carnet service. USCIB administers the carnet program in the United States in partnership with the International Chamber of Commerce and the World Customs Organization. The service is heading for a record year, and is planning to welcome Mexico into the system very soon. Learn more about Carnets at www.merchandisepassport.org.

Carbo’s web site is www.onager.net. For information about this year’s World Punkin Chunkin Championship, go to www.punkinchunkin.com. It even has a countdown clock (down to the second) to the start of competition on November 4. ■

Asia-Pacific Interactive Tariff Database Launched

In January, the National Center for APEC and USCIB launched the pilot phase of the Asia-Pacific Interactive Tariff Database, providing business in the Asia-Pacific region with a tool to make cost-saving sourcing decisions based on up-to-date tariff information.

"This database will save Levi Strauss & Co. time and money by organizing information from many of our key trading partners in an easily searchable manner," noted **Laurie Goldman**, senior manager of worldwide government affairs and public policy with Levi Strauss & Co. "Access to accurate and up-to-date information allows us to remain competitive in the global business economy."

In 2009 APEC economies agreed to make their customs and tariff information more transparent and available to the public. Members of the business community expressed interest in taking that important progress one step further by creating a robust trade database that would be fully searchable based on Harmonized System classification numbers.

This long-term initiative aims to draw attention to the lack of publicly available information on tariffs and preferential rules of origin which have made it difficult for companies to take full advantage of the many free trade agreements negotiated in the Asia-Pacific region.

"The APEC economies account for 58 percent of all U.S. exports, while our direct investment in the region totals some \$820 billion," said USCIB Executive Vice President **Ronnie Goldberg**.

"As we seek to increase our competitiveness, create good-paying jobs at home and achieve President Obama's goal of doubling U.S. exports within five years, companies will need access to new sources of information and market intelligence. This database is an important step in that direction."

The pilot phase of the Asia-Pacific-wide tariff database is expected to test the concept of the database and obtain feedback and input from participating companies including 3M, Levi Strauss & Co. and Pfizer. The pilot will be active for a period of about six months and is expected to fully launch during the U.S. hosting of APEC in 2011.

"The Asia-Pacific Interactive Tariff Database will improve customs transparency, support export growth and make it easier for companies large and small to do business in the Asia-Pacific region. It is a concrete example of the work being done in APEC to facilitate trade and to advance economic integration in this dynamic part of the world," stated **Monica Whaley**, president of the National Center for APEC.

Integration Point, a global trade compliance solution provider, supplies the platform powering the Asia-Pacific Interactive Tariff Database. As part of the platform, the Integration Point Global Trade Content team maintains up-to-date tariff information such as applied tariff rates, rules of origin, preferential trade treatment and scheduled future tariff rates among other vital sourcing information. ■

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The Latest ICC Incoterms® 2010 Guide Offers Present-Day Trade Practices

The International Chamber of Commerce (ICC), USCIB's affiliate, has published the *ICC Guide to Incoterms® 2010* to serve as a practical resource for users of these rules, which are applied by companies for countless business transactions worldwide.

The latest edition of the rules, set forth in ICC's book *Incoterms® 2010*, came into effect in January 2011 and takes into account developments in global trade since the rules were last revised in 2000. While contracts for the sale of goods incorporating earlier versions of the Incoterms rules are still viable, it is suggested that users refer to Incoterms® 2010 for new transactions.

USCIB has organized a series of training seminars throughout the United States to explain the changes to the Incoterms® 2010 rules.

The new version has been modified to ensure that the Incoterms rules clearly and accurately reflect present-day trade practices. The number of rules has been reduced from 13 to 11 and two new rules have been created: Delivered at Terminal (DAT) and Delivered at Place (DAP).

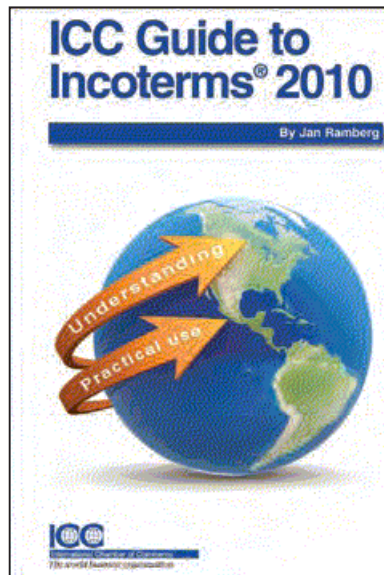
ICC first published the Incoterms rules, short for "international commercial terms," in 1936 to help traders avoid misunderstandings by defining the costs, risks, and responsibilities of both buyers and sellers in contracts for the sale of goods. They were a significant

step in bringing legal certainty to business transactions, while simplifying the drafting of international and domestic contracts.

The Incoterms® 2010 rules have been updated to expand treatment of cargo security, which has been at the forefront of the transportation agenda for many countries since the terrorist attacks of September 11 attacks, as well as the increased use of electronic communications in business transactions.

"While globalization has made it easier to do business internationally, technological and political changes have also made the rules governing transactions more complex," said **Jan Ramberg**, author of the guide and renowned trade expert. "We consulted broadly with the global business community on these issues to create an easy reference guide that allows users to apply the right rules to their contracts of sale."

The 216-page *ICC Guide to Incoterms® 2010* is an essential reference for both first-time and experienced users of the rules, with practical guidance on the exchange of information, packaging goods, transport documents, as well as the transfers of risks and costs from one party to another.



Order both the *ICC Guide to Incoterms® 2010* and *Incoterms® 2010* from www.store.iccbooksusa.net. ■

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Appointments

Ambassador David Gross, the former top State Department official on international communications policy, now at Wiley Rein, is the new chair of USCIB's Information, Communications and Technology Committee. He will lead the development and delivery of business views on information technology and Internet policy developments worldwide. Mr. Gross succeeds **Arthur Reilly**, who has retired from Cisco Systems, Inc....Pfizer executive **Anthony Barone** has been appointed vice chair of the International Chamber of Commerce's Customs and Trade Regulations Committee, in which he is set to advance the committee's work program and provide support to the commission's chair, **Selig Meber**, vice president of GE International. The commission's work focuses on customs reform, with the aim of simplifying and harmonizing customs policies and procedures so as to overcome barriers to trade...



Ambassador David Gross

Josefa Sicard-Mirabal, Director of Arbitration and ADR, North America of the ICC International Court of Arbitration, has joined a new Sanctions Committee under the Inter-American Development Bank (IDB), which will investigate and sanction all new corruption allegations...

Alexandra Garcia and **Kira Yevtukhova** have joined USCIB as program development assistants supporting the policy team. Prior to joining USCIB, Kira interned at the British Council's New York office working with the Programming and the Partnerships teams. She holds a Bachelors Degree from Mount Holyoke College in International Relations and a minor in Russian Eurasian Studies. After



Alexandra Garcia

the completion of her undergraduate degree, she participated in Columbia University's 2010 Hertog Global Strategy Initiative, which focused on historical analysis and policy making in the field of Nuclear Nonproliferation. She is a Russian speaker and is proficient in French. Alexandra obtained Bachelor of Arts degrees in International Affairs and Communication Studies from Northeastern University. She studied abroad in Italy and South Africa and lived in Geneva, Switzerland while she worked as a Junior Professional Officer for the Implementation Support Unit of the Anti-Personnel Mine Ban Convention. She is fluent in Spanish and is currently learning French.



Kira Yevtukhova

New USCIB Members

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

The Gap, Inc.
NBC Universal
PepsiCo
Viacom
Baker Botts
King & Wood
Ropes & Gray
Seyfarth Shaw LLP
FTI Consulting
American Farm Bureau Federation

Center for Information Policy Leadership
Distilled Spirits Council of the U.S.
Information Technology Industry Council
Interactive Advertising Bureau
Personal Care Products Council

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

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2011 OECD International Tax Conference

June 6-7, 2011

Four Seasons
Washington, DC

The OECD, USCIB and BIAC, in co-operation with several leading trade and tax organizations, are proud to present the latest edition

in this popular annual series, focusing on the OECD's new international taxation initiatives and featuring top speakers from business, the OECD and the U.S. government. The event provides a unique opportunity for U.S. business representatives to interact directly with key representatives from the OECD's Center for Tax Policy and Administration as well as senior tax officials from the U.S. and other OECD countries. To RSVP, visit www.uscibtax.org or contact **Erin Breitenbucher** (202-682-7465, ebreitenbucher@uscib.org). For information on how you can become a sponsor, please contact **Abby Shapiro** (617-242-0205, ashapiro@uscib.org). ■



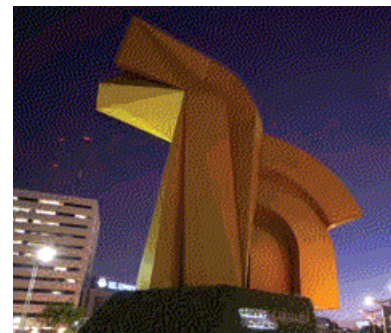
7th ICC World Chambers Congress

June 8-10, 2011

Banamex Convention Center
Mexico City

Organized by ICC's World Chambers Federation, the congress is the only international forum specially designed for chamber and business executives. Held for the first time in Latin America, under the theme "Enterprise – Network – Prosperity," the Congress will cover an array of topics such as opportunities for the new economy, climate change, chamber partnerships and corporate social responsibility. It

will also open new doors for delegates and its members, providing opportunities to interact with companies in leading sectors such as oil, agriculture, trade, and services. Also a highlight: World Chambers Awards for innovative products and services. For more information, please visit www.worldchamberscongress.org. ■



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Honoring Andrew N. Liveris
Chairman and CEO, The Dow Chemical Company

November 16, 2011

The Waldorf-Astoria, New York City
Details at www.uscibgala.com

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calendar

may 2011

4	Washington, DC	USCIB Corporate Responsibility Committee
4	Paris	ICC Trade and Investment Policy Commission
5	Washington, DC	USCIB Labor & Employment Policy Committee
16 - 17	Paris	ICC Marketing & Advertising Commission
26 - 27	Geneva	ILO Committee on Freedom of Association
30	Geneva	IOE Management Board
30 - 31	Paris	ICC Transport & Logistics Commission
31	Geneva	IOE General Council

june 2011

1 - 17	Geneva	International Labor Conference
6 - 7	Washington, DC	2011 OECD International Tax Conference
8 - 10	Mexico City	7th World Chambers Congress
15	New York	USCIB Executive Committee Meeting
16	Amsterdam	ICC Commercial Law & Practice Commission
22	Brussels	ICC Commission on Competition

july 2011

1-3	Paris	3rd ICC Young Arbitrators Forum (YAF)
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september 2011

12 - 15	Istanbul	World Congress on Safety and Health at Work
12 - 13	San Francisco, CA	APEC Chemical Dialogue
26 - 27	Paris	G20 Labor Ministerial
27 - 30	Nairobi	Internet Governance Forum

november 2011

3-4	Cannes, France	G20 Summit
16	New York	USCIB International Leadership Award Dinner

ICC Incoterms® 2010 Seminars Nationwide through December 2011

To view dates and locations, visit <http://www.uscib.org/calendar.asp?cat=Incoterms>

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ISSN 1939-8301

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