



Dean O'Hare of Chubb Is the New Chairman of USCIB

On February 21, USCIB's Executive Committee elected **Dean R. O'Hare**, chairman and chief executive officer of The Chubb Corporation, as chairman of the organization. Mr. O'Hare succeeds **Richard D. McCormick**, former chairman and chief executive officer of U S West, Inc., who had been USCIB chairman since 1995 and who began a two-year term as president of the International Chamber of Commerce earlier this year. Mr. McCormick was elected a vice chairman of USCIB.

"I am delighted to take on the leadership of USCIB as the organization continues its cutting-edge work to meet the business challenges of the 21st century," said Mr. O'Hare. "Globalization has taken some lumps lately. But it's clear that economic integration and market liberalization are driving forces for good around the world, and it's equally clear that American companies stand to reap enormous benefits from the globalization process."

Mr. O'Hare said the business community must provide leadership to ensure that the international pro-market consensus is not derailed and that the rest of the world benefits equally from it as well.

"I salute Dick McCormick for the magnificent job he has done as USCIB chairman in driving the organization forward on such issues as biotechnology and electronic commerce, while maintaining the

strong commitment to trade and investment liberalization that is USCIB's hallmark," continued Mr. O'Hare. "We thank Dick for his tremendous service and wish him well as ICC president, where he can count on continued American support for the world business organization."

A leading voice of the business community on international trade issues, Mr. O'Hare serves as a member of the President's Advisory Committee on Trade Policy and Negotiations, chairman of the U.S. Coalition of Service Industries and chairman of the Pacific Basin Economic Council's services committee, among other things. He has served as vice chairman of USCIB since 1999.

"We are extremely fortunate to have as our chairman a business statesman of Dean O'Hare's stature at this critical time for American business," said USCIB president **Thomas M.T. Niles**. "His prominence on the international front - in particular on Asia-Pacific matters - will unquestionably be a tremendous asset."

A New Jersey native, Mr. O'Hare has been chairman and CEO of Chubb, one of the world's leading property and casualty insurance companies, since 1988. He has risen through the company's ranks, having begun his career as an underwriting trainee in 1963.



Dean R. O'Hare

Trade Policy:

USCIB Calls for New Round of WTO Trade Negotiations

Affirming the business community's commitment to multilateral trade liberalization, USCIB has called on the Bush administration to support launching a new round of trade talks in the World Trade Organization.

"USCIB members seek further liberalization of trade and investment policies as soon as possible at the multilateral, regional and bilateral level," USCIB president **Thomas Niles** wrote the U.S. Trade Representative's office on May 10, transmitting business recommendations on U.S. objectives for the November WTO ministerial meeting in Doha, Qatar.

"Further multilateral liberalization is a vital part of this process," wrote Mr. Niles. "Only WTO disciplines improve market access for American goods and services on a global basis, and provide common rules that maximize administrative efficiency. USCIB supports the launch of a broad-based WTO negotiation at the earliest opportunity."

President Bush has indicated he will seek Congressional approval of renewed trade promotion authority as a top priority. The administration wants such authority to encompass bilateral, regional and multilateral agreements.

USCIB's recommendations constitute a comprehensive review of the possible elements of a WTO negotiating agenda. They include support for the phased abolition of all tariffs on industrial goods, as well as a host of detailed negotiating objectives in the areas of services, investment and promotion of trade via electronic commerce.

USCIB also seeks full, timely implementation of Uruguay Round agreements, including tariff reduction commitments, while strongly opposing reopening existing WTO commitments, including those on intellectual property rights.

On the issue of environmental protection, USCIB favors cooperative agreements such as multilateral environment agree-

~ continued on p. 2

Message From the President

In Protecting Labor Rights, Use the Right Tool for the Job



An unfortunate aspect of the debate over linking labor standards with international trade negotiations is the lack of attention given the International Labor Organization (ILO), in particular its efforts to promote respect for core labor standards worldwide.

A review of current ILO projects shows that the organization is doing an effective job, and that the oft-cited complaint that the ILO “has no teeth” does not jibe with the facts. There is a good story to be told here, one that is not getting out to the Congress or the public.

As most USCIB members know, the Geneva-based ILO is unique among international organizations for its tripartite structure, where not just governments but business and labor deliberate measures to promote and secure respect for labor rights worldwide. Business is represented through the International Organisation of Employers (IOE), of which USCIB is the American affiliate. Labor participation comes through the International Confederation of Free Trade Unions (ICFTU), whose American arm is the AFL-CIO.

Possibly the most effective tool in ILO’s kit is the precedent-setting *Declaration on Fundamental Principles and Rights at Work*, adopted without dissent in 1998. The *Declaration* commits the 176 ILO member nations to the goals and objectives, but not necessarily the detailed legal requirements, of the various ILO conventions agreed since the organization’s founding in 1919.

The *Declaration* and its follow-up procedures bring the full weight of the ILO’s authority, opinion, censure and technical assistance to address persistent failures to protect fundamental worker rights. The basic idea is that “sunshine,” in the form of peer review and publicity, and targeted technical assistance will do much more to promote worker rights than trade sanctions, which may hurt those they are meant to protect.

ILO technical assistance programs have an impressive history of helping to raise labor standards and improve worker productivity around the world, from getting children out of the workforce and into schools to training employers and workers in the principles of freedom of association and collective bargaining. Empowering employers and workers with knowledge and training goes a lot further in raising labor standards than punishing governments with trade sanctions.

The ILO also has detailed procedures for monitoring and enforcing its 183 conventions. Through a specialized committee, employers, workers and governments review ILO standards, the application of specific conventions and obstacles to their ratification, as well as specific cases where a country may not be applying a particular convention. This serves to showcase abuses and to highlight national policies that may be in violation of internationally agreed core labor standards.

~ continued on p. 3

~ “New WTO Round” from p. 1

ments that are parallel to, but separate from, trade agreements, as well as technical assistance to build national infrastructure. On labor rights, USCIB supports efforts in the International Labor Organization to raise respect for core labor standards, but remains strongly opposed to discussion of labor standards in the WTO.



Dorothy Duoskin (Assistant USTR for WTO and Multilateral Affairs) and committee Chair **Frank Farfone** (Dow Chemical) at the April 5 meeting of USCIB’s Trade Policy Committee.

Staff contact: Joseph G. Gavin III

Environment:

In Kyoto’s Wake, USCIB Emphasizes Need to Address Technology, Market Incentives

USCIB has put forward the elements of a new framework for international negotiations on climate change. In an April letter to **President Bush**, USCIB president **Thomas Niles** urged the administration to move swiftly in developing an agenda for future talks that would address a wide range of energy, competitiveness and technology-related issues.

“We share your concern over the risks of climate change,” wrote Mr. Niles. “The U.S. should move quickly to chart a path forward that will avoid the Kyoto Protocol’s unrealistic targets, timetables and lack of developing country participation.”

In March, the Bush administration indicated that the U.S. would not pursue the 1997 Kyoto Protocol, citing the treaty’s unrealistic targets for reducing emissions of gases believed to contribute to global warming and the lack of developing-country participation. Mr. Niles said business supports an approach that avoids Kyoto’s pitfalls while continuing to work within the established context of the U.N. Framework Convention on Climate Change, which the U.S. signed in 1992.

USCIB’s climate action plan stresses the need to deal with the full range of suspected greenhouse gases and legitimate sequestration options. It proposes flexibility for countries to choose the most appropriate means to reduce emissions, as well as market incentives to facilitate least-cost options for improvement. And it endorses measures to support the development, commercialization and dissemination of new technologies to reduce emissions worldwide.

“This international action plan should focus on the long-term development, commercialization and global diffusion of advanced energy, carbon sequestration and adaptation technologies” wrote Mr. Niles. “It should also take full advantage of appropriate market incentives and mechanisms, rather than mandated caps, targets, timetables and command and control regulations.”

Staff contacts: Norine Kennedy and Adam Greene

Trade and Investment:**As Leaders Reaffirm FTAA Timetable, USCIB Weighs In on Investment**

Prospects for significant liberalization of commerce throughout the hemisphere took a big step forward at April's Summit of the Americas in Quebec City, where leaders from North and South America and the Caribbean reaffirmed their commitment to negotiating a Free Trade Area of the Americas (FTAA) by 2005.

As **President Bush** makes FTAA the centerpiece of his effort to secure renewed trade promotion authority, the goal of a free trade zone from Alaska to Tierra del Fuego suddenly seems less abstract. The proposed free trade zone would incorporate 34 countries with a combined population of nearly 800 million, accounting for more than \$11 trillion in GDP.

USCIB was actively involved in business advocacy related to FTAA. Senior vice president **Ronnie Goldberg** took part in the pre-summit Americas Business Forum in Buenos Aires. And USCIB spearheaded industry recommendations to U.S. Trade Representative **Robert Zoellick** on investment liberalization priorities in the context of FTAA, as well as in proposed bilateral trade agreements with Chile and Singapore.

USCIB led the development of a letter to Ambassador Zoellick, signed by 29 major companies and industry associations, that called for, among other things, removal of barriers to entry, non-discriminatory treatment, elimination of performance requirements, protection from expropriation, dispute-resolution guarantees and transparency in government rulemaking.

The letter noted that U.S. investment agreements have come under attack of late, in particular with respect to a number of dispute resolution cases under NAFTA, which some critics have characterized as "secret" arbitration panels that usurp the ability of national and local governments to protect the environment.



At the March 16 meeting of USCIB's Investment Committee, Assistant USTR **Joe Papovich** (center) briefed members. Also pictured (L-R) are **Stephen Canner** (USCIB), Committee Vice Chair **Edwin Williamson** (Sullivan & Cromwell) and **Fran Huegel** (USTR).

"We respectfully disagree," the industry letter stated. "Investment treaty provisions are no bar to, but can complement strong, effective and transparent regulations to protect the environment, as well as worker safety and health. Indeed, investment treaty protection serves to encourage international investment, which frequently includes the transfer of environmental technologies and practices."

USCIB is developing a number of detailed position papers on different aspects of the FTAA negotiations.

Please note - USCIB's Investment Committee has a new Chair: **R. Scott Miller**, Director of National Government Relations, The Procter & Gamble Company.

Staff contacts: *Stephen J. Canner and Anna Walker*

~ **"Message from the President"** from p. 2

A little-known ILO contribution to curtailing violations of such standards is the work of the Committee on Freedom of Association (CFA), which investigates alleged violations of the right of workers to organize. There are currently 46 cases of before the CFA, involving 29 countries – an illustration, to be sure, that problems exist in this area, but also that the ILO process is viewed as anything but an empty exercise by countries and other participants. Otherwise, why would the petitioners go to the trouble to file their cases, and why would governments bother to reply, as they almost always do?

One interesting recent case in the CFA involved a complaint against China on behalf of imprisoned trade unionists. While the government's response was hardly satisfactory – saying, in essence,

that union members were imprisoned because they broke the law – it seems remarkable that the Chinese were sufficiently concerned about their image and relationship with the ILO to respond at all. Indeed, the dialogue between China and the ILO is continuing, with a visit by ILO Director General **Juan Somavía** to the country in May.

All this lends support to the view that the ILO is the right tool for the job in promoting respect for core labor standards around the world. The organization is not perfect – indeed, more needs to be done to increase its effectiveness. But as a forum, it is certainly preferable to the World Trade Organization, where many ILO critics argue such issues should be addressed. And while the ILO does not itself have the power to impose sanctions in cases of egregious violations, it is capable of spurring its mem-

bers to do so, as it did recently against Myanmar (Burma) over questions of forced labor.

The overwhelming majority of CFA cases are filed by national labor unions or by the ICFTU on behalf of its national affiliates. These organizations obviously believe that the ILO machinery offers a valuable tool for dealing with violations of trade union rights. Interestingly, the ICFTU is not among those who favor dumping labor standards on the World Trade Organization. However, its U.S. affiliate, the AFL-CIO, chooses for whatever reason to repeat its familiar refrain about a toothless ILO being the wrong organization to deal with violations of core labor standards.

Thomas M.T. Niles

State and Local Sanctions Dwindling

In the wake of last year's Supreme Court decision overturning state and local measures prohibiting procurement from companies doing business in certain foreign countries, a survey has found such measures to be disappearing at a surprisingly fast rate.

In the first review of its kind, the Organization for International Investment (OFII), which represents foreign-owned subsidiaries in the U.S., analyzed the extent to which states and localities have complied with last June's Supreme Court decision in *Crosby v. N.F.T.C.*, which overturned a Massachusetts law aimed at companies doing business in Myanmar (Burma). The Court ruled such "selective purchasing" restrictions an impermissible interference in the foreign affairs powers of the federal government.

According to OFII, the results of the survey show a general acceptance and compliance among municipalities and states with the *Crosby v. N.F.T.C.* decision. The survey examined the 33 selective purchasing regulations that were enacted in 27 different localities prior to the Supreme Court decision. A clear majority of the localities have responded to the high court's ruling by either halting enforcement or by officially rescinding the restrictions.

In fact, says OFII, some municipal actions arguably even exceed the scope of the Supreme Court decision. Two of the remaining five regulations surveyed were still in effect and enforced, and two fell clearly within the scope of the Supreme Court's ruling.

New York to Brussels, Virtually



A group of USCIB members conferred with European Union trade commissioner **Pascal Lamy** on April 10 via a video conference hook-up between the E.U. headquarters in Brussels and a New York City television studio. Discussion centered on the prospects for revitalizing the multilateral trade agenda as well as a host of U.S.-E.U. issues. Pictured (left to right) are **Kenneth Leeson** (Cullen International), **Christopher Hansen** (Boeing), USCIB president **Thomas Niles**, E.U. Committee Chair **Michael Hodin** (Pfizer) and **Robert J. Mulligan** (Chubb). All involved called the experiment, first suggested by the E.U.'s New York delegation, a success. We hope to be able to host similar "virtual" meetings with other E.U. officials.

Update:

Activist Case Against Shell to Proceed

The Supreme Court has rejected an appeal by Royal Dutch/Shell in a case, closely watched by USCIB members, involving use by activist groups of an antiquated U.S. statute as a platform to accuse companies of human rights violations. (See "Message From the President," February USCIB Newsletter.)

The statute, the Alien Tort Claims Act of 1789, was originally enacted to protect American citizens and ship owners against acts of piracy on the high seas. It gives both Americans and foreign nationals the right to file civil suits in U.S. courts for injuries suffered abroad in violation of "the law of nations," as international law was known at the time.

Supported by a friend of the court brief from USCIB, Royal Dutch/Shell argued the U.S. lacked jurisdiction in the case, which involves the company's operations in Nigeria during a period of civil unrest. Acting without comment, however, the high court let stand a lower court's ruling allowing the lawsuit to proceed in the Second Circuit court in New York.

"The decision would make the Second Circuit a worldwide center for litigating international law controversies having no or insufficient connections with the United States or U.S. sovereign interests," USCIB argued in its brief.

Royal Dutch/Shell is just one of several companies being targeted by activists under the statute, which has also been used to sue foreign governments for long-ago crimes. The Bush administration is seeking the dismissal of a class-action lawsuit filed against Japan last year on behalf of hundreds of Asian women who said they were forced into serving as "comfort women" during World War II.

Corporate Responsibility:

Business and Humanitarian Organizations Are Natural Partners

At the May 10 joint meeting in New York of ICC's Group on Business in Society and USCIB's Working Group on Corporate Responsibility, USCIB president **Thomas Niles** emphasized that business and humanitarian organizations have much to gain from partnering in post-conflict areas.

According to Mr. Niles, not only would humanitarian operations be more effective through the judicious use of business resources and expertise, but business could also participate more visibly in the stabilization of post-conflict areas and thus more effectively lay the basis for long-term investment. The benefits for both business and its potential consumers were obvious.

Mr. Niles serves as a co-chairman of the Business Humanitarian Forum (BHF), a Geneva-based non-profit organization established two years ago to promote such partnerships actively. The BHF does this mainly by holding high-level conferences at which senior business executives and humanitarian leaders can discuss the advantages and problems of working



*United Nations Assistant Secretary General **Michael W. Doyle** discussed the U.N. Global Compact initiative at the May 10 joint meeting. Pictured also are **Robin Aram** (Shell International Petroleum Company), who chairs the ICC group, and **Gene Endicott** (Agilent Technologies), chair of the USCIB working party.*

together for their mutual benefit as well as that of the regions where they operate.

Several such conferences have been held with such speakers as World Bank president **James Wolfenson**, former U.N. High Commissioner for Refugees **Sadako Ogata** (also a BHF co-chair) and current U.S. trade representative **Robert Zoellick** emphasizing the benefits of such coopera-

tion.

According to the BHF's president, **Jack Maresca**, follow-up conferences are being scheduled (such as one on business in the Balkans, to be held June 26 in Brussels) as well as new initiatives like a joint BHF-ICC conference on Africa, to be held December 6 at ICC headquarters in Paris.

Training programs and academic seminars are also in the works, all with the objective of heightening awareness that business and the humanitarian communities should overcome whatever mutual distrust exists and work together to further their common interests as well as the betterment of the regions where they operate.

USCIB fully supports the goals of the BHF and encourages member companies to lend their support to the effort as well. You can obtain more information about the BHF by visiting its Web site at www.bhforum.ch, or by sending an e-mail to bhinfo@bhforum.ch.

*Staff contacts: Adam Greene
and Anna Walker*

Labor and Employment:

ILO Members Review Forced Labor In Burma

At the March meeting of the International Labor Organization's Governing Body, governments, employers and workers discussed measures taken thus far to implement last November's ILO resolution concerning forced labor in Myanmar (Burma). The resolution called on the ILO constituents to review their relations with the country and take appropriate measures to ensure that Myanmar cannot use such relations to perpetuate or extend the system of forced or compulsory labor.

The Governing Body was informed that ILO is trying to maintain a dialogue with the Burmese authorities. ILO Director General **Juan Somavía** said the ILO secretariat stood ready to extend its cooperation to Myanmar to ensure implementation of the recommendations of an ILO commission of inquiry,

which preceded the November measure. At present, he said, there is no sign that the Burmese government is ready to accept such ILO assistance.

In light of the current situation, the Governing Body agreed that Myanmar's implementation of the commission's recommendations, as well as the application of the ILO convention barring forced labour, should be discussed at this June's International Labor Conference. This will be pursued at a special sitting of the ILO's committee on the application of standards, where U.S. business will be represented by **Ed Potter** (McGuiness, Norris & Williams) and **Deborah DeHart Cannavino** (Tyler Cooper & Alcorn).

Staff contact: Anna Walker

USCIB Member is New Vice-Chair of BIAC Employment Committee

In February, **Bill Yadlosky** (Coca-Cola) became Vice-Chair of BIAC's Employment, Labor and Social Affairs Committee. His leadership on the committee gives U.S. business a stronger voice in OECD research and policies in the area of employment. Presently, Mr. Yadlosky serves as Vice-Chair of the USCIB Labor and Employment Policy Committee and chairs its OECD Subcommittee. He brings over 25 years experience in human resources management, most recently as Director of Employee and Industrial Relations with Coca-Cola.

Commercial Crime:

ICC Foils Massive Internet Banking Fraud

ICC announced on April 11 the successful closure of an online banking fraud involving fake documents worth \$3.9 billion. ICC's specialized Commercial Crime Services (CCS) unit, based in the United Kingdom, reported that fraudsters had published fake European banking guarantees on at least 29 different Web sites to lure potential clients to invest in projects and finance schemes.



Online scams are increasing

According to CCS, the web addresses gave the impression that the scam sites were run by either Euroclear Bank, the international clearing house for the settlement of transactions in securities and Eurobonds, or Bloomberg, the U.S.-based information services provider. The domain names used included www.euroclear30.50megs.com and www.bloomberg.50megs.com.

"We were informed that advance fees of hundreds of thousands of dollars were paid for the issue of these fraudulent guarantees, and the websites were used to validate the documents," explained **Jon Merrett**, assistant director of ICC's Commercial

Crime Bureau and Cybercrime Unit. "The amounts represented on the fraudulent sites ranged from \$50 million to over \$400 million."

In addition to being used to procure advance fees, reported Mr. Merrett, these guarantees were to be used in bogus High Yield Investment Programs (HYIP) which promised high returns from low risk financial instrument trading. Through the CCS member network, the bank guarantees were confirmed to be fraudulent, and Euroclear Bank and Bloomberg were alerted to the intellectual property breaches.

On behalf of all parties concerned, CCS coordinated the approach to the fraudster's Internet service providers, who complied with their request to shut down the offending sites.

"By shutting down the fraudulent sites in cases like this, we are not only protecting investors from scams, but also helping companies such as Bloomberg to maintain their reputation," said Mr. Merrett. "The big risk is that these frauds could rock the trust that the banking, finance and insurance industries are built on."

CCS has previously warned about this method of fraud on many occasions. Numerous agencies, including the International Monetary Fund and the Federal Reserve, have published similar warnings.

New Incoterms™ Web Site

Incoterms™ are standard trade definitions used extensively in international sales contracts. Among the best known are FOB (Free on Board), CIF (Cost, Insurance and Freight), DDU (Delivered Duty Unpaid), and CPT (Carriage Paid To). Devised and published by the International Chamber of Commerce, they operate at the heart of world trade.

ICC has launched a detailed and easy-to-use Web site devoted to Incoterms™ at www.incoterms2000.org. The site includes, for the first time, the Preambles to each term in read-only format. The Preambles explain the areas the terms cover but do not spell out the obligations of buyer and seller - information that can be obtained only by consulting the full published texts of the 13 Incoterms™.

ICC hopes the Web site will aid in understanding of what Incoterms™ are for and how they are organized. Interested parties can order a full copy of Incoterms™, in the original English version as well as in many of the world's main languages, from ICC national committees around the world.



USCIB is pleased to welcome the following new members:

Amazon.com
The BF Goodrich Company
The Gillette Company
Level 3 Communications, Inc.
New York City Economic Development Corporation
QVC, Inc.
Shearman & Sterling
R. Duffy Wall & Associates



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ICC President Predicts Speedy Turkish Recovery

On a mission to Turkey in April, ICC president **Richard D. McCormick** said he was confident that the country will recover from its economic crisis rapidly, possibly before the end of the year. Meanwhile, Turkish business must pressure the government to follow through on economic reforms, he said.

Visiting for talks with business and government leaders, Mr. McCormick said in interviews with the Turkish media: "The upturn will come sooner than people are thinking. Reforms will take place quickly and the rebound will be fast."

The former USCIB chairman and current ICC president made his comments after Turkey's new economy minister, **Kemal Dervis**, announced an extensive economic recovery program that was well-received by equity mar-



Richard D. McCormick in Istanbul

kets.

"You have seen the worst," Mr. McCormick predicted, adding that one of Turkey's biggest assets in the crisis was "an enormously talented and dynamic private sector." The country needs to push ahead with privatization and unleash the private sector, while reforming the banking system and improving the country's infrastructure, he said.

Mr. McCormick, former chairman of U S WEST, Inc. (now Qwest Communications), added that sound economic management is not enough: political and social reforms are also critical, not only for overcoming the current crisis, but also in advancing Turkey's long-standing bid to join the European Union.

"These things go hand in hand," he said, adding that Turkey should still be considered one of the world's top ten emerging markets. He observed that Mexico went through a similar crisis in 1994 but emerged with a stronger economy than before.

"This temporary setback for Turkey is completely unrelated

The ICC Executive Board has approved the nomination of **Ronald O. Baukol**, Executive Vice President for International Operations with 3M and a Vice Chairman of USCIB, to a two-year term on the ICC Executive Board. Mr. Baukol, a member of 3M's Board of Directors since 1996, has served in a number of international and product line management capacities and has been active in several USCIB committees. His nomination will be submitted for formal election by the ICC World Council in June. He will fill the Board slot of former USCIB chairman **Richard D. McCormick**, who is now president of the world business organization.

Biotechnology:

Discussion of Food Labeling for Diplomatic Corps

Continuing an ongoing examination of precaution and food labeling, USCIB brought together leading experts from government, academia and industry for a panel discussion on April 17 for members of the Washington-based diplomatic community.

The discussion, moderated by USCIB president **Thomas Niles**, came as committees set up under the Codex Alimentarius, which oversees international food classification issues, are addressing precaution and risk assessment as well as draft guidelines on food labeling of biotechnology-derived food products. These debates are seen as critical to the future of science-based decision-making at the national and international levels.

Calestous Juma, director of Harvard University's science, technology and innovation program and the former executive secretary of the Convention on Biological Diversity, said the potential implications of new regulatory structures on the life sciences are numerous, from the possibility of increased friction between the major trading countries to undermining the capacity-

building activities of developing countries. He advised countries to undertake careful

research and scientific analysis before agreeing to any principles governing the use of new technology in agriculture.

Mari Stull, director of international science and regulatory affairs with the Grocery Manufacturers of America, predicted that international use of the so-called "precautionary principle" as an iron-clad guarantee of food safety would lead to abuse as a way to keep products out of domestic markets. She noted that such a guarantee is impossible to provide, and puts in jeopardy the current science-based system in which science is the common decision-making tool for governments.

The director of sanitary and phytosanitary affairs at the U.S. Trade Representative's office, **Richard White**, highlighted a European Union proposal he said would limit the use of precaution to risk management and give decision-making powers to politicians. He noted that in many countries, precaution is employed in

various parts of the food approval process. But he said the European Commission is seeking to limit debate through its proposal.

Mark Mansour, a partner with the law firm of Keller and Heckman, warned that trade could be severely disrupted if current proposals on precaution moved forward. He noted that the ongoing beef hormone dispute in the WTO involving the E.U., the U.S. and Canada could not have been brought were the E.U. version of the precautionary principle, which permits countries to take trade-restrictive measures without the requirement of supporting scientific data, to be enshrined in Codex.

Mr. Mansour added that, in the context of current debate, labeling of biotech products would be equivalent in many countries of putting a "skull and crossbones" label on such products, and would not provide accurate information to consumers.

Staff contact: Suzanne Foti

Calendar:

Please contact USCIB for information on any of the following events.

JUNE		
6	New York	Competition Committee
6	Miami	Symposium of the Americas on Customs, Trade and Finance
11	New York	Economies in Transition Committee
11	Washington, DC	ICC Commission on Customs and Trade Regulations
11-12	Washington, DC	Environment Committee
12	New York	Executive Committee
21	Dallas	“Arbitrating with Sovereigns” (12th annual workshop of the Institute for Transnational Arbitration)
28	New York	Information Policy Committee
JULY		
3	Seattle	Washington Council for International Trade Annual Conference (co-sponsored by USCIB)
12	Washington, DC	Electronic Commerce Committee
25	New York	Commercial Crime Seminar

**Commercial Crime Seminar:
Don't Let the Bad Guys Wreck Your Day (or Your Company)**

What would you do if you discovered that someone had cracked your company's IT system and blocked all access to your own database? Or if a truckload of your products suddenly went missing on the way to the distributor?

The right course of action in these and other situations where things seem a little fishy will be explored July 25 in an all-day USCIB seminar on commercial crime at the World Trade Institute in New York City.

Commercial crime is growing faster than international trade, with more complex scams involving larger sums than ever before (see page 6). Captain **Pottengal Mukandan**, director of ICC Commercial Crime Services, will lead a series of discussions focusing on trade finance fraud, transport and cargo fraud, and maritime piracy.

ICC Commercial Crime Services has saved companies and individual investors billions of dollars in potential fraud and theft through its ability to recognize early warning signs. That skill has been developed over almost 20 years at the forefront of the fight against commercial crime.

Bring your gumshoes (and your corporate security officer). Contact Heather Shaw at 212-703-5068 or hshaw@uscib.org for information.

Member and Staff Notes

USCIB trustee **John F. Manfredi** has joined The Gillette Company as Senior Vice President, Corporate Affairs. Mr. Manfredi, who chairs ICC's Commission on Marketing, Advertising and Distribution, brings more than 30 years experience to the position. He was most recently



John Manfredi

Executive Vice President with Nabisco, responsible for corporate communications and issues management, and previously worked for more than 15 years at General Foods Corporation.

Franca Gargiulo, USCIB's Western region representative based in San Francisco, was in Vietnam recently as part of a trade mission led by San Francisco Mayor **Willie Brown**, whose city is sistered with Ho Chi Minh City (formerly Saigon). Franca took advantage of

the visit to meet with representatives of the Vietnam Chamber of Commerce and Industry to discuss Vietnam's proposed entry into the ATA Carnet system.

Anna Walker, USCIB's manager of labor affairs and corporate responsibility, has been assigned overall responsibility for coordinating USCIB's work on the Free Trade Area of the Americas (FTAA). In addition, **Suzanne Foti**, manager of biotechnology and food & agriculture, will coordinate input into the Asia-Pacific Economic Cooperation (APEC) process.

Heather Shaw has added sole responsibility for information policy to her portfolio, which includes e-business, banking and commercial practice. And **Michael Nogen** has expanded duties in the area of marketing and advertising policy in addition to his telecommunications responsibilities.

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