



THE ASSOCIATION OF WOMEN IN INTERNATIONAL TRADE

www.wiit.org

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Quarterly Newsletter

2002

Heading

The EU and the US: A Need to Examine the Positive Trade Agenda

The European Union and the United States are the two largest economies in the world. They account together for about half the entire world economy. The EU and the US have also the biggest bilateral commercial trading and investment relationship.

Transatlantic flows of trade and investment amount to around \$1 billion a day, and jointly, our global trade accounts for almost 40 % of world trade. In 2000, two-way trade in goods and services between the EU and the US amounted to \$557.1 billion.¹

EU investment in the US has likewise grown steadily: by the end of 2000, the EU direct investment in the US amount

(Continued on page 5)



Trade Aspects of the US-EU Summit, Washington, DC 2 May 2002

2001.

Trade featured prominently on the summit agenda for debate and joint action. Even though trade conflicts regularly hit the headlines, transatlantic commerce is huge and largely uncontroversial; trade disputes only affect a very small percentage of the total (estimates range from 0.2% to 2% of the overall flows).

The EU is lately concerned over certain trade policy actions on the part of the US administration. However, both sides remain committed to a constructive transatlantic partnership and are

(Continued on page 5)

On 2 May 2002, leaders from both sides of the Atlantic gathered at the EU-US Summit in Washington.

The President of the European Commission, Romano Prodi, together with the President-in-office of the European Council, Spanish Prime Minister José María Aznar, met with US President George W. Bush. This is the second Summit with the Bush Administration; the first took place in Göteborg in June

IN THIS ISSUE

EU and US: A Need To examine the Positive Trade Agenda	1
Trade Aspects of the US-EU Summit, Washington, DC 2 May 2002.....	1
Antitrust Article.....	2
President's Letter.....	3
WIIT Outstanding Woman of the Year.....	4

**What You Need to Know
about the Role of the Anti-
trust Division in Protecting
International Business
Transactions**

The Antitrust Division is a special litigating division within the United States Department of Justice. The mission of the Antitrust Division is to promote and maintain competition in the American economy. When sellers of goods or services conspire to reduce or eliminate competition, purchasers are forced to accept artificially higher prices, lower quality goods and reduced choice. Businesses can be severely harmed, and even put out of business. The Division seeks to preserve competition and protect customer victims through vigorous pursuit of felony prosecutions against companies and their employees who illegally harm competition. As a business person on the “front lines” of the marketplace, you may be able to assist the Division in identifying and stopping this kind of economic crime.

The Antitrust Division prosecutes essentially three types of criminal antitrust violations: price fixing, bid rigging and customer allocation. Price fixing involves an agreement among two or more competitors to set, change or otherwise tamper with price or price terms upon which they sell or offer their products or services. Bid rigging is a form of price fixing where two or more competitors agree in advance as to which competitor will submit the low or winning bid. The other competitors may agree to submit higher bids



or no bids at all with the understanding that they will win the bid for the next project. Finally, customer allocation involves two or more competitors who agree to assign specific customers to each other and to refrain from doing business with the customers assigned to the competitor. Such conduct may involve the dividing up of territories or geographic regions. Aspects of customer allocation can often be found in both price-fixing and bid-rigging schemes.

What is the price of getting caught for committing these offenses that damage the American economy? There are strict and severe criminal penalties for violations. Convicted corporations face a maximum fine of \$10,000,000 on each count or substantially more if alternative methods of calculating fines are used, such as measuring the gain or loss caused by the conduct. Convicted individuals face a

fine of \$350,000 and a term of imprisonment of up to 3 years.

In recent years, as the economy has become increasingly globalized, the Antitrust Division’s criminal enforcement efforts have likewise gone global. In fact, the Division has made a top priority of uncovering and punishing international cartels that prey on customers across sovereign borders. As part of these efforts, the Division has obtained increasing cooperation from foreign authorities in seizing evidence located abroad.

Several recent cases provide examples of the heavy penalties imposed on participants in international cartels. The highly publicized prosecution of the Archer Daniels Midland Company (“ADM”) resulted in a \$100 million dollar fine against the company. The Antitrust Division suc

(Continued on page 6)

LETTER FROM THE PRESIDENT

By Monique Roske
WIIT President

This has been such an exciting year for me as WIIT President! While the Annual OWIT Conference, scheduled for early October in Atlanta, had to be canceled and other WIIT events were postponed because of the tragic September 11 events, our organization quickly pulled together and our members rallied. Our ever-busy Section Chairs organized one splendid event after another (WIIT-wides or brownbags), and our Christmas Party at the National Museum of Women in the Arts was unforgettable.

Now that our fiscal year is coming to an end, I hope that many of you will be able to attend our Annual General Meeting at the Mayflower Hotel on May 14, where I will give a detailed account of WIIT events and activities throughout the past twelve months. A brief reception and our Annual Dinner will follow the business meeting. Please come and celebrate with us!

WIIT's Board of Directors recently chose this year's WIIT Member of the Year (it's still a secret...) and also WIIT's Woman of the Year in International Trade, namely Rosa Whitaker, Assistant USTR for Africa. Not only was Rosa Whitaker instrumental in the passage of the Africa Growth and Opportunity Act, her untiring work and implementation efforts on behalf of U.S. trade with Africa led to Africa's support of U.S.

positions at the recent WTO Ministerial at Doha, which was so crucial to the Round's success. I am thrilled that I will be able to celebrate Rosa Whitaker's achievements at our Annual Dinner.

Thank you for giving me the opportunity to serve as WIIT President this year. Our budget continues to be well balanced, our events are exciting, a new President, new Board members and new officers and committee chairs are ready to take over the reins – in short, WIIT continues to grow and prosper because of the hard work and energy of its members. Bravo to you all!
Sincerely,
Monique Roske

*"Women in Diplomacy" -
Diplomatic Reception Honoring
Women Ambassadors Accredited to the United States
and Senior U.S. Women
Diplomats
Hosted by
William H. Taft,
IV Legal Adviser, U.S. Department of State
and
The Washington Foreign
Law Society
Together With
The Women's Bar Association of
the District of Columbia,
Women in International Trade
and
The Federal Bar Association-D.C.
Chapter
And With the Support of
The International Law Section of
the D.C. Bar
Time: 6:00 p.m. to 8:00 p.m.
Location: U.S. Department State,
Diplomatic Reception Rooms
Washington, D.C.*

The WIIT Program Committee invites you to attend our ANNUAL MEETING AND DINNER

Come celebrate a year full of achievements with WIIT and toast those members who have been dedicated to WIIT for over 10 years!

Featured Speaker:

Keynote address by

The Honorable Rosa M. Whitaker, Assistant U.S. Trade Representative for Africa

To be named WIIT's "Outstanding Woman in International Trade"

Please RSVP no later than May 10, 2002, to reserve your space.

Date: Tuesday, May 14, 2002
Time: . 5:30 p.m. - 6:30 p.m.

6:30 p.m. - 7:30 p.m. Annual Meeting - Reception (Cash Bar)
South Carolina Room

Annual Dinner - East Room **Place:**
The Mayflower Hotel
1127 Connecticut Ave., NW
Washington, DC 20036
(202) 347-3000

**Price: \$55 for WIIT Members
\$65 for Non-WIIT Members**

**ROSA M. WHITAKER,
Assistant USTR for Africa,
To Receive *WIIT*'s Out-
standing Woman in Inter-
national Trade Award**

By Monique Roske,
WIIT President

The Board of Directors of *Women in International Trade (WIIT)* has chosen Rosa M. Whitaker, Assistant United States Trade Representative for Africa, for its **Outstanding Woman in International Trade Award**. *WIIT* will present the award to Ms. Whitaker on May 14 at their Annual Dinner at the Mayflower Hotel in Washington, D.C.

“We are delighted to have the opportunity to honor Rosa Whitaker, whose impact on international trade has gone far beyond the African trade arena. She was one of the hands-on architects of the Africa Growth and Opportunity Act (AGOA); it was because of her untiring work on behalf of AGOA that the United States enjoyed the full support of the African Ambassadors at the recent WTO Ministerial in Doha,” declared Monique Roske, President of *WIIT*.

Ms. Whitaker heads the USTR’s Office of African Affairs and is the lead U.S. negotiator for trade agreements with African countries. Her office is responsible for implementing AGOA and leads bilateral, regional and multinational U.S. initiatives to enhance U.S. trade and investment and economic

cooperation with the countries of sub-Saharan Africa, including measures to open markets and improve investment climates.

Prior to joining USTR, Ms. Whitaker was Senior Trade Advisor to Congressman Charles Rangel, Ranking Member of the House of Representatives’ Ways and Means Committee. In her previous career as a U.S. Foreign Service Officer, Ms. Whitaker worked in the Department of State’s Office of International Energy Policy, where her wide-ranging responsibilities included support for global energy infrastructure projects. Her Foreign Service career also included an assignment at the U.S. Embassy in Cote d’Ivoire, where she was responsible for agricultural trade and other economic issues.

Before entering the Foreign Service, Ms. Whitaker managed her own trade consulting practice. She also served as Executive Director of the Washington D.C. Office of International Business; Special Assistant to the D.C. Deputy Mayor for Economic Development; and Legislative Fellow to the U.S. Congress.

Ms. Whitaker holds a Bachelor of Arts and a Masters of Public Administration degree from the American University in Washington, D.C. She completed specialized studies in economics at the U.S. Foreign Service Institute and the University of London, England.

**WIIT Russian Table
Revised!**

What’s fun and popular and growing exponentially? *WIIT*’s Russian Language Table! After a period of oblivion, two new co-chairs have revived the Russian table and turned it into a happenin’ monthly event. Co-chairs Erin Cole and Dawn Hanahan met through *WIIT* in September 2001, and vowed to breathe new life into the defunct Russian group. In October, they scheduled their first meeting and sat patiently in an Adams Morgan café for over an hour awaiting the onslaught of new members that never came. Realizing that building membership would take more pro-active efforts, the two Russophiles told every friend they knew about the new language group and reached out to *WIIT* members at monthly happy hours. By December, membership had grown to 10 people, by March a total of 13 members showed up for the monthly meeting, and, as of May 2002, we can boast sixteen regular members. In addition to monthly meetings, the Russian table is now branching out into Russian-related cultural events. The Co-chairs send e-mails out to members about upcoming events at the Russian Cultural Center and at area museums. Future plans include twice-monthly meetings and closer cooperation with *WIIT*’s Eastern Europe/Former Soviet Union section. For more information, please contact Erin Cole at (202) 482-4414, erin_cole@yahoo.com or

(Continued from page 1)

\$802.7 billion² being 65 percent of total foreign direct investments in the United States. Similarly, US direct investment in the EU amounted to \$573.4 billion.³ The economic importance of the European market for American investors is enhanced by the maturing Single Market and the establishment of the Economic and Monetary Union, which was launched on January 1, 1999.

These flourishing economic ties create wealth and jobs on both sides of the Atlantic. An estimated 4.8 million US jobs, of which 3.5 million are directly provided by EU-owned firms, are supported by European investment in the US.⁴

The US is one of the largest, most technologically powerful, diverse and advanced, market-orientated economies in the world. The years 1994-99 witnessed solid increases in real output, low inflation rates, and a drop in unemployment to below 5%. Longer term problems include relatively low investment in economic infrastructure, rapidly rising medical costs of an ageing population, sizeable trade deficits, and stagnation of family income in the lower economic groups.

There is a noticeable difference in family units' approach to saving between the EU and US. The US consumer traditionally spends a considerably higher proportion of his/her income than the EU consumer. This leads to a relatively greater demand for imports resulting in the current (perpetual) trade deficit.

The signing of the New Transatlantic Agenda (NTA) on Decem-

ber 3, 1995 was an important step in consolidating the EU-US economic relationship. A key element of NTA is the expansion of world trade and closer economic relations between the EU and US. This includes steps to remove regulatory and other obstacles to trade, which not only reduce costs for consumers and producers but also open up new areas for investment.

The relationship is further enhanced by the Transatlantic Business Dialogue (TABD), a private sector initiative, which was launched in Seville, Spain, by European and American business leaders in November 1995. The TABD aims to promote mutual trade and investment through the removal of costly inefficiencies caused by excessive regulation and differences in the EU and US regulatory systems and procedures.

Another example of the EU-US commitment to involve non-governmental organizations in EU-US affairs is the Transatlantic Consumer Dialogue (TACD) which was launched in Washington, DC, in September 1998. The TACD aims to involve the representatives of consumer organizations on both sides of the Atlantic to give consumers a voice, so that policy-making will be fully responsive to the concerns and aspirations of European and American citizens.

Basic Source of Information: Nicole McEvers Speakers Bureau
Delegation of the European Commission
2300 M Street, NW
Washington, DC 20037
Phone (202) 862-9553
Fax (202) 429-1766

(Continued from page 1)

in the process of launching a joint Positive Trade Agenda which will define a number of co-operation objectives for the year to come.

Initial areas of activity under this "positive economic agenda" include: (1) *Financial Services*, (2) *Regulatory Cooperation*, (3) *E-Procurement and Customs*, and (4) *Agriculture*.

Financial Services

Financial Market Dialogue: United States financial officials, including representatives from the Treasury Department, Securities and Exchange Commission, and the Federal Reserve, are engaged with their EU counterparts to ensure that European capital market liberalization is achieved in a non-discriminatory manner and are market transparent, efficient, and protect against risk.

Regulatory Cooperation

Regulatory Cooperation in the Insurance Sector: The United States and the EU are looking for new approaches to regulatory cooperation in the insurance field.

In April 2002, the United States and the EU completed long-running negotiations on a set of "Guidelines on Regulatory Cooperation and Transparency" intended to reduce regulatory-based trade disputes. Two pilot projects are being launched under this agreement:

(Continued from page 5)

(Continued on page 6)

A new framework on automotive safety regulation cooperation and cooperation on accreditation requirements for laboratories which perform crash testing of road safety equipment.

E-Procurement and Customs

Electronic Procurement: The United States and the EU will work to increase one another's access to on-line tendering for government purchases.

Electronic Customs: The United States and the EU are working to intensify on-line processing of customs documentation.

Agriculture

Organic Food: The United States and the EU seek to harmonize labeling requirements and other issues involving each side's organic food regulations.

Sanitary and Phytosanitary Issues: The United States and the EU will work to expeditiously resolve issues surrounding the importation of Spanish clementines into the United States and the importation of United States poultry into the EU.

Source: the Office of International Information Programs, U.S. Department of State. Web site: <http://usinfo.state.gov>)

(Continued from page 2)

ceeded in obtaining a \$500 million dollar fine against F. Hoffmann-La Roche (“HLR”), a French company that participated in a vitamin cartel that impacted products appearing in nearly every household, and in every cupboard, of every consumer in America. Most recently, the Division obtained convictions against Sotheby’s Holding, Inc. and its chairman, Alfred Taubman, for conspiring with their British competitor, Christie’s International plc, resulting in a \$45 million dollar fine for the company and the likely imposition of a lengthy jail sentence for Taubman.

These onerous penalties can be avoided if a corporation reports the illegal activity to the Antitrust Division. The Division has a corporate amnesty program that provides for a complete pass from prosecution for the first corporate participant in a conspiracy that comes forward and cooperates with the Division. Further, the program offers all of the company’s officers, directors and employees who cooperate with the Division protection from criminal prosecution. The first company that comes forward and meets the amnesty criteria will not pay any criminal fines for its involvement. The company will also avoid the specter of worldwide searches of its various business offices as well as the possibility of U.S. law enforcement border watches being placed on its employees. Another benefit of the amnesty program is that the Division operates under a policy of confidentiality. The Division will not voluntarily disclose an amnesty applicant's identity, absent prior disclosure by or agreement with the applicant.

An example of the benefits of this program is the French based Rhône-Poulenc SA, a participant in the vitamin cartel. By coming forward, Rhône-Poulenc received amnesty and avoided paying any fines while its co-conspirators, HLR and BASF, paid fines of \$500 million and \$225 million, respectively. Also, in a recent series of prosecutions directed at the graphite electrodes industry, the amnesty applicant avoided paying any fines, while the next company to come forward was forced to pay \$32.5 million, the third company paid \$110 million and the Japanese firm, Mitsubishi Corporation, was convicted at trial and sentenced to pay \$134 million.

Even if a corporation is not involved in a cartel or other form of criminal antitrust activity but suspects that such activity is harming its ability to compete or its ability to purchase goods and services at the lowest possible prices, there should be every incentive to report such conduct to the Antitrust Division. As should be abundantly clear, the Division will take all appropriate measures to end the illegal conduct.

Should your company have information about any possible offenses, either as a potential amnesty candidate or a potential victim, you should contact Lisa Phelan, Chief of the Antitrust Division’s National Criminal Enforcement Section in Washington D.C.

Ms. Phelan can be reached by telephone at 202-307-1166; by email at Lisa.Phelan@usdoj.gov or by mail at: U.S. Department of Justice, Antitrust Division, Suite 37001401 H Street, NW Washington, DC 20530

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Barbara Wanner, *President Elect*

Tonya Kemp, *V.P. for Programs*

Caryn Hines, *Secretary*

Jaqueline Bruno, *Treasurer*

SEND US YOUR NEWS!

If you have changed jobs, moved, received a promotion or would like to share other noteworthy developments with the WIIT community, please contact the Newsletter Co-Chairs, and we will include it in the upcoming issue.

INVITATION FOR ARTICLES!!

If you are interested in submitting an article, or have an idea for one, please contact one of the Newsletter Co-Chairs

The Association of Women in International Trade



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