

# Commercial diplomat

## International Commercial Diplomacy Forum

### NEGOTIATION TRAINING ON THE WEST BANK



*By Bill Monning*

In November, Professor William (Bill) Monning, accompanied by Prof. Moyara Ruehsen, both of the Monterey Institute of International Studies (MIIS), traveled to Ramallah, West Bank, Israel, where Monning was retained by the United Nations Conference on Trade and Development (UNCTAD) to lead the technical training program among representatives of the emerging Ministry of Economy and Trade of the Palestinian National Authority (PNA).

Participants in the training program included representatives of the Palestinian Ministry of Economy and Trade, the Ministry of Agriculture, and the Monetary Authority. The PNA negotiators are preparing for permanent status negotiations on trade and economic issues with the Israeli government in February, 2000. The training program was sponsored by UNCTAD as part of that agency's mandate to provide skills and technical training to developing nations in commer-

cial diplomacy.

Monning and Ruehsen designed a bilateral negotiation simulation based upon current issues that will be on the agenda when the PNA negotiators meet with Israeli negotiators in February. Among the key issues discussed included the type of trade agreement that will define trade relations between Israel and an independent Palestinian state, the movement of Palestinian labor from the West Bank and Gaza to Israel, and issues related to the establishment of a Palestinian currency. Key political issues that continue to influence the trade and economic negotiations include the status of Palestinian refugees, the future disposition of Israeli settlements, the future of Jerusalem, natural resources (especially water), security, and border control issues.

The simulation exercises were designed so that Palestinian negotiators could role play as Israeli negotiators and develop negotiation strategies from both the Palestinian and Israeli frame

of reference. The Palestinian negotiators cited continued disparities in economic and political power as strong influences at the negotiating table. The Palestinian negotiators shared experiences from past negotiations and expressed optimism about the prospects for statehood and continued, albeit redefined, economic relations with Israel, other Arab nations, and other global trading partners.

Both Professor Monning and Ruehsen will continue to work with UNCTAD and look forward to further training and consulting in the region.

*William W. Monning, JD is Director of Masters Degree Program in Commercial Diplomacy and the Project on Negotiation, Mediation and Conflict Resolution Graduate School of International Policy Studies at MIIS.*

*Professor Moyara Ruehsen is a professor of international economics at MIIS, where she specializes in trade and monetary issues.*

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*The Commercial Diplomat is the quarterly newsletter of the International Commercial Diplomacy Forum, an alumni organization designed to enhance members' knowledge of a cross-sector of current and emerging international trade policy issues. It is a network that brings Commercial Diplomats to the forefront of international trade policy.*

### DEDICATION TO TECHNOLOGY IN LATIN AMERICA

*By Natalie Gomez*

Caribbean Latin American Action, (CLAA) a private sector non-profit organization held its 23<sup>rd</sup> Annual Conference on the Caribbean and Latin America in Miami this past December. Over 1200 participants from around the region attended the event including heads of state, business leaders, country delegations, and trade associations. This year's Conference focused on technological advancements in the Car-

ibbean and Latin America. Sectors of interest included tourism, agribusiness, telecommunications, off-shore financing, and transportation.

A panel on Intellectual Property Rights (IPR) entitled, "Overlooked Benefits of IPR", was one of the most dynamic discussions. The panel concluded that the protection of intellectual property across all technologies is critical to the future economic growth of countries in

the region. Although a controversial topic for developing nations, "the protection of patents, ideas, copyrights and trademarks are important to free trade and critical to citizens demanding access to these new technologies", stated Jaime Angeles, IP attorney from the Dominican Republic.

Rodney Lopez, of Empresas Farmaceuticas de Investigación y Desarrollo (EFID) pointed out

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## ALUM IN THE SPOTLIGHT: VICTORIA WAITE

After graduating from the Monterey Institute of International Studies, with a Master of Arts in Commercial Diplomacy, Victoria Waite accepted a position with the U.S. International Trade Commission (ITC) in Washington, DC. As an international trade analyst in the Services and Investment division, Victoria is responsible for financial services and health care services. During the last four months, she has worked on various projects, including an ITC annual report entitled Recent Trends, to which she contributed the Banking and Securities and Healthcare Ser-

vices chapters. In addition to monitoring these industries, she has participated in the compilation of country data on existing Trade-Related Investment Measures for the Office of the United States Trade Representative, and analyzed World Trade Organization member commitments under the General Agreement on Trade in Services.

Currently, Victoria is working on a staff investment paper, *United States Direct Investment Abroad and Foreign Direct Investment in the United States: An Overview*. She is drafting the chapter on the relationship be-

tween direct investment and cross-border trade. More specifically, she is examining the role of intra-firm trade, including trade in intellectual property, as it pertains to U.S. cross-border trade.

Upcoming projects include a study on electric power services and an independent article that will focus on the cross-border distribution of online financial services. Victoria will also be attending a conference mid-February in Miami on trade and finance in Latin America and the Caribbean.

## FALL SPEAKERS

ICDF provides an opportunity for Commercial Diplomats to network with key trade officials in Washington D.C. ICDF meetings introduce members to the trade community. This past fall, alumni met with:

- **Tim Reif**, Chief Trade Council for the House Subcommittee on Trade
- **Francis Grab**, Trade Counsel for Congressman Robert Matsui
- **Mike Maibach**, Vice President Government Affairs for Intel Corporation
- **Bruce Stokes**, Contributing Editor for the National Journal.

## EXPRESS SERVICES NEGOTIATIONS REMAIN ON TRACK

By Mike Nunes

U.S. trade negotiators are optimistic that negotiations on services trade will proceed, despite the failure to launch a comprehensive new round of negotiations during the WTO Ministerial in November. Article XIX of the General Agreement on Trade in Services (GATS) states that countries must meet to discuss further services liberalization no later than January 2000. Ministers will likely convene in Geneva in January to discuss how to proceed with services negotiations, and the United States is hopeful that it will be able to ob-

tain further market access and national treatment commitments from WTO member countries for certain services sectors.

The "express" services industry, which includes such companies as Federal Express and UPS, is one of the services sectors for which the United States will seek further trade liberalization. The express industry specializes in expedited delivery of documents, packages and freight, and is currently listed as a sub-sector of "communications services" within the GATS. Industry representatives have expressed con-

cern, however, that the current GATS classification is too limiting, and that express services should be provided its own sectoral classification. In May 1999, industry representatives submitted to USTR a statement detailing the barriers to the provision of express services in foreign countries, and provided a reference list, which outlined the requirements for a fully liberalized express delivery environment.

Some of the biggest barriers to trade in express services are inconsistent customs clearance policies, restrictions on the value

and weight of express shipments, delays, cargo handling restrictions, arbitrary revaluation of declared value of shipments, and the imposition of excessive charges and fees. The express industry is hopeful that negotiations in this sector will result in the requirement for participating countries to adopt and implement the International Chamber of Commerce's rules for modern customs administrations. Additionally, the industry believes that shipments below a certain value should receive expedited

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## ALUM ON THE MOVE

*Alumni On The Move is a quarterly update on the contributions of Commercial Diplomats in the international trade policy sector. Send updates to commercialdiplomat@hotmail.com.*

- **Jason Buntin** ('98) transferred to the Office of the U.S. Trade Representative, as Director for Western Europe and Middle East Affairs.
- **Nate Bourns** ('99) works at Development Alternatives on micro enterprise projects.
- **Jim Golsen** ('97) will travel to California in January to recruit Presidential Management Interns for the Department of Commerce.
- **Natalie Gomez** ('99) recently completed a contract with Caribbean Latin American Action (CLAA) as the Public Relations Coordinator for CLAA's 23rd Annual Miami Conference on the Caribbean and Latin America.
- **Heather Grell** ('98) transferred to the Department of Commerce to work on the WTO Technical Barriers to Trade Agreement.
- **Ashok Menon** ('99) assisted CD professor Geza Feketekuty at the 3<sup>rd</sup> WTO Ministerial in Seattle with East African Delegates.
- **Steven Hatley** ('99) attended the Aviation in the 21<sup>st</sup> Century Ministerial Conference in Chicago on December 5-7, 1999, for the US Department of Transportation Office of Aviation and International Affairs.
- **Daniel Llata** ('99) works at the National Academy of Sciences in Washington, DC, he is responsible for Internet-related issues. He is also President of Fair Trade Imports, a web start-up import firm.
- **Alejandro Martinez** ('99) works at Mexico's Comisión Federal de Competencia, the Mexican equivalent to the U.S.

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### ICDF Board of Directors

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## TECHNOLOGY IN LATIN AMERICA (CONTINUED FROM PAGE 1)

that despite the size of the Dominican Republic, inventors and entrepreneurs do exist, however, since they have no protection for their ideas and inventions the incentive to introduce new ideas is diminished. He concluded by saying, "Effective IP protection is one of the contributing elements to a climate that fosters foreign investment and the transfer of technology".

David Greeley of Merck & Co. added that the lack of IP protection is dangerous to the consumer because if a product is duplicated without the proper standards, people can be injured or die from the uncertified copies. Shanker Singham, Steel Hector & Davis

LLP; Margalit Edelman, Alexis de Tocqueville Institution; and Gabriel Abaroa, made up the rest of the expert panel.

Healthy discussions such as these have stimulated ideas for further work on regional trade issues. For example, due to the successful interaction between business leaders and heads of state, CLAA is planning an IPR conference in the Dominican Republic sometime this year. CLAA facilitates trade and business between the Caribbean, Latin America and the United States. This Conference holds great significance for the Caribbean states because it is one of the few venues where the United

States and Latin American countries discuss topics directly related to the region. In such a dynamic area as international trade it is a testament to CLAA that they have been able to make this Conference a consistently respected and important one for the region.

*Natalie Gomez, as a contractor with CLAA, organized the "Overlooked Benefits of IPR" Session at the Conference.*



## ALUM ON THE MOVE (CONTINUED FROM PAGE 2)

Federal Trade Commission as Subdirector of Investigations. He investigates monopoly cases including soft drink bottler's exclusivity contracts, the dominant position of PEMEX, and exclusivity airport contracts.

- **Chris Mazur** ('99) works at Stateside Associates, a state government relations consulting firm in Arlington, VA, where he consults on tax and commerce issues
- **Charlie Tsai** is working in Taiwan at the Board of Foreign Trade under the Ministry of Economics as an English advisor on trade.

## EXPRESS SERVICES

treatment, an approach applied to international baggage and postal shipments.

The express service industry association indicates that a fully liberalized express services environment would provide consumers with a choice of end-to-end express service suppliers that offer varying cost levels depending on priority, convenience, and tracking and tracing ability. These express services should be able to operate in WTO member countries without limitations on

- **Lijuan Zhang** ('99) is an associate Professor at Shandong University in China. She also is a consultant to the Shandong Province department of industries on WTO issues. In December, Lijuan will hold a forum for local provincial governors on the WTO.
- **Lyazzat Zhunisbekova** ('99) is a trade policy specialist at the Kazakhstan Ministry of Energy, Industry and Trade, Department of Foreign Trade Policy.
- **Brano Gal** ('98) is currently a portfolio manager at Delta Securities in Prague.

market access and national treatment. Furthermore, this sector would benefit from the application of core GATS principles, such as MFN and Transparency, ensuring a stable regulatory environment for the provision of express services.

*Mike Nunes is a trade specialist on trade in services at the US International Trade Commission.*

development manager in San Francisco for an Internet startup LookSmart.

- **Robert Chiappetta** ('98) is a government affairs representative at Toyota in Washington, DC.

**Beverly Carr and Andreas Bauer** graduated this past December., Congratulations!!

## UPCOMING EVENTS

**The First Five Years of the WTO:** January 20th, 3:30 – 7:15 p.m.; January 21st, 8:00 a.m. – 5:15 p.m. Georgetown University Law Center, Washington, DC, Call Brie Potash at 202-662-1727.

**Former Russian Prime Minister Yegor Gaidar:** January 24, 12:00 – 2:00 p.m. The Capital Hilton, Washington, D.C. Call 202-234-3426.

**China's Accession to the WTO:** January 26th, 12:00 - 2:00 p.m. Economic Strategic Institute (ESI), Washington D.C., Call 202-289-1288.

**Meeting of the TNC Experts on Business Facilitation:** January 27-28th, Miami, FL.

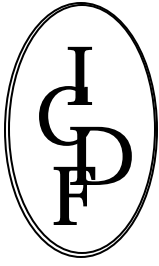
**Future of the World Trade Organization, and the Outlook for Trade Policy:** February 3rd, 12:00 - 2:00 p.m. ESI.

**GMOs and Trade Policy:** February 10th, 12:00 - 1:30 p.m. ESI.

**Asia's Economic Outlook:** February 17, 12:00 - 1:30 p.m. Featured speaker is Business Week Asia Editor Peter Engardio. ESI.

**FTAA Negotiation Group Meeting on Services,** February 22-24, Miami, FL.

**Measuring the Intensity of Competition Across Geographic Markets:** February 17th, 2:00 p.m. A.E. Rodriguez, KPMG. U.S. International Trade Commission, Washington, D.C., Room 505.



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## International Commercial Diplomacy Forum

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### OP-ED: STRONG LEADERSHIP NEEDED AFTER SEATTLE

By Neal J. Wavra

At the third WTO Ministerial Conference, hosted in Seattle, the press covered events where hoodlums wearing Nikes kicked in Nike Town's store windows, punks vandalized the Gap store front while wearing Gap sweat-shirts, and Starbucks was destroyed—the coffee stolen. The perpetrators' motivation for the destruction was apathy and anarchy, claiming that they had no gripe with the WTO, nor did they care, for that matter, what the WTO does.

Most of the over thirty thousand protesters used non-violent methods to grid-lock Seattle's downtown the week after Thanksgiving. Some sought to advance legitimate concerns for the environment, labor, and transparency within the WTO, while many others appeared misinformed and confused.

Suited in sea turtle costumes, protesters pointed to a WTO ruling against U.S. shrimp/sea turtle policy as proof of the organiza-

tion's anti-environmental practices. Well, the sea turtle protesters faced greater danger on the streets of Seattle than actual sea turtles do from the WTO decision. The dispute settlement case was brought against the US for its policy to embargo shrimp from South Asia caught without sea turtle safe devices. Had protesters looked at the WTO decision on the sea turtle case, they would realize a heavy U.S. shrimp lobby prompted the U.S. to ban imports to protect its industry under the guise of protection for an endangered species. The WTO found that South Asian shrimpers use manual nets and small trawlers that do not endanger sea turtles and consequently ruled against the U.S.'s protectionism.

Without any statement or response from the WTO or the U.S. the one-sided outcry from the streets in Seattle only perpetuated the spread of misinformation. Leadership was lacking on the part of the U.S. government, its

negotiating team, the Seattle Host Organization and the WTO Secretariat. Just as the protesting in the streets was mismanaged, so was the process in the convention center. The state of chaos and confusion in which negotiations were conducted was not conducive to an outcome. Delegates were unsure of what was going on and felt their trip was a waste.

By Thursday, the proceedings began to unravel. Very few, if any, official meetings took place. Lead nations such as the U.S. and EU began to negotiate behind closed doors in an attempt to come up with agreements on agriculture, labor, services and market access before the Friday deadline. Developing nations threatened to block final consensus, claiming that negotiations were exclusionary and non-transparent.

On Saturday, Seattle papers claimed victory for protesters because the Ministerial failed. To attribute success to a mass of uninformed protesters is short-sighted and false. The truth is that the

issues on the agenda are the most difficult in WTO history. People are passionate about them and consensus will take time. Failure has not yet occurred, but success depends on the emergence of strong leadership amongst the WTO member nations. Each nation must educate and engage its people on the tough issues related to trade. Meaningful and lasting international trade policy cannot be made if WTO member nations do not conduct themselves in a transparent and inclusive manner. After Seattle, strong leadership must now emerge to organize the WTO on lines that more truly represent the needs of all member nations and their people. All will be the better for it.

*Neal J. Wavra, from the Monterey Institute of International Studies, volunteered at the WTO Ministerial.*

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*All views expressed in this publication are those of the writers*