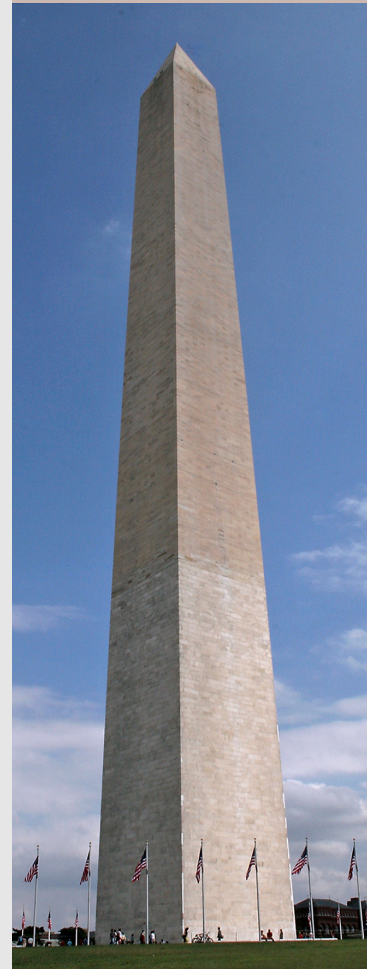


U.S. COMMERCIAL SERVICE UPDATE

MAY 2007
ISSUE

IN THIS ISSUE

- ▶ **Letter from Director General Hernandez** | PAGE 2
- ▶ **Trade News** | PAGE 3
- ▶ **Outreach** | PAGE 4
- ▶ **BSC Objective** | PAGE 5
- ▶ **ITA Priority** | PAGE 6
- ▶ **CS Priority** | PAGE 7
- ▶ **Best Practices** | PAGE 8
- ▶ **Employee News** | PAGE 9



DIRECTOR GENERAL



Greetings,

Since 1933, the third week of May has been known as “National Foreign Trade Week.” We in the Commercial Service know first-hand how free and fair trade serves as a powerful engine for growth and job creation in the United States and in countries throughout the world. Therefore, we have decided to promote the entire month of May as “World Trade Month.”

Numerous events recognizing the importance of international trade are being held throughout the country. I will be traveling to some of these events and look forward to working with you to educate as many businesses as we can about international opportunities. A special thank you to ODO for your outstanding grass roots promotion of trade and activities in support of World Trade Month.

May serves as a reminder that we are one month closer to the expiration of the President’s Trade Promotion Authority (TPA) in June. Since 2001, TPA has allowed the President to implement free trade agreements (FTAs) with 15 countries. Through 2006, exports to FTA partners grew twice as fast as exports to the rest of the world. These agreements bring significant benefits to Americans as well as to our FTA partners, and a renewal of TPA will allow the United States to continue to open markets throughout the world. TPA is about a level playing field, jobs, opportunity, growth, and new market opportunities.

On April 5, I spoke to CS Headquarters staff regarding Transformational Commercial Diplomacy (TCD). I outlined the changes, transitions, and vision encapsulated within this initiative. Implementation of this strategic shift is the initial phase of a longer-term plan to strengthen our global commercial presence and ability to serve U.S. business. This speech is available on the CS web site.

I would like to congratulate Suzan Winters on her new position as Director of the Customer Relationship Management Unit, and Richard Swanson, who has been selected as the ODO Network Director for the Pacific South, which includes Southern California, Nevada and Hawaii.

In closing, I would like to once again thank you for your dedication and commitment to the Commercial Service and our mission.

Best Wishes,

A handwritten signature in black ink that reads "Daniel Hernandez". The signature is written in a cursive, flowing style.

The KORUS FTA is the most commercially significant FTA for the United States since NAFTA.

World Trade Month—May 2007

Throughout May we are participating in a variety of events all over the world, spreading the message, “International trade is easier now than ever before.” Click [here](#) to see an abbreviated calendar of events. If you have

any questions regarding any of the events listed below, please call John Holman at headquarters at 202-482-1469 or e-mail at John.Holman@mail.doc.gov.

The United States & Korea Conclude Historic Free Trade Agreement

In April, the United States and the Republic of Korea concluded an historic free trade agreement (FTA). This FTA, known as the KORUS FTA, will eliminate tariffs and other barriers to trade in goods and services, promote economic growth, and strengthen economic ties between the United States and Korea.

The KORUS FTA still needs to be cleared through both countries’ legislatures prior to entering into force. U.S. Trade Representative Susan Schwab recently stated that she remains hopeful that the KORUS FTA, and other pending FTAs, will pass Congress with broad bipartisan support. Currently, there is no expected date of implementation.

The KORUS FTA is the most commercially significant FTA for the United States since NAFTA. Korea is a \$1 trillion economy and the seventh largest U.S. trading partner.

Within the first three years of implementation, 95 percent of consumer and industrial products will become duty-free. The remaining tariffs will be eliminated within 10 years. Additionally, the Agreement has a broad range of focused provisions designed to open Korea’s auto market to U.S. automakers and provisions to benefit U.S. textile and apparel manufacturers.

Bernanke: Protectionism Will Negatively Affect Living Standards

On May 1, Federal Reserve Chairman Ben Bernanke said that restricting trade by imposing tariffs and other barriers in an effort to protect Americans from foreign competition would be a mistake. Bernanke, speaking in Butte, Montana, at Montana Tech University, said that economic isolationism would lead to lower productivity for U.S. firms and lower living standards for consumers. While

restricting imports might temporarily slow job losses in affected industries, those benefits would be outweighed by higher prices for consumers and increased costs for U.S. firms. A better approach, according to Bernanke, would be government retraining programs and improving the skills of the U.S. labor force. To read the entire article, click [here](#).



Commercial Service Awards New Contract to FedEx

The Commercial Service awarded a new five-year contract to FedEx. FedEx was originally awarded a three-year contract in May 2004. The new agreement is a result of FedEx's response to last year's competitive marketing partnership contract procurement.

FedEx is the Commercial Service's first cor-

porate partner and has set a high standard for other partners to follow. Since joining forces in 2004, FedEx and the Commercial Service have informed thousands of clients about exporting, including support of over 200 customer events worldwide. For more information on the CS Corporate Partnership Program, please click [here](#).

Congressional Outreach Event

On May 1, Under Secretary Frank L. Lavin and Assistant Secretary and Director General Israel Hernandez hosted the Commercial Service's Congressional Trade Mission Forum in the renowned U.S. House of Representative's Ways and Means Committee room. The event's focus was to encourage

Members of Congress to lead their own trade missions. The presentation included a step-by-step tutorial on organizing trade missions and the associated benefits for U.S. businesses. Approximately 80 House and Senate staffers attended.

Trade Association Outreach Event

On May 2, Under Secretary Frank L. Lavin and Deputy Assistant Secretary Colleen Litkenhaus hosted the Commercial Service's Association Outreach event in the rotunda room of the Ronald Reagan Building. The purpose

of the meeting was to encourage trade associations to jointly promote, along with the Commercial Service, exporting seminars and certified trade missions to their membership. Approximately 40 associations participated.



Export Achievement Certificate

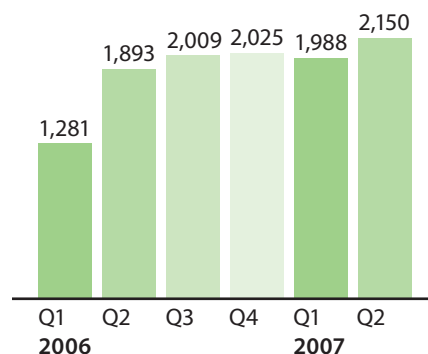
On March 29, DG Hernandez presented the Export Achievement Certificate to ESRI during the Pacific Southwest Joint DEC Conference at Cal Poly Pomona, CA. (left to right: CS Inland Empire Director Fred Latuperissa, ESRI International Sales Manager Merrill Lyew, DG Hernandez, and ESRI International Sales and Operations Manager Dean Angelides)



Revenue Generation

The CS operates a wide variety of programs to promote exports and to fulfill our congressional mandate. Our mandate also requires us to generate \$8 million in revenue. User fee collections from events and products in the second quarter reached \$2.2 million, the highest level in fifteen months. Our year-to-date collections reached \$4.3 million, which exceeds 50 percent of the target.

CS Fee Collections
(thousands of dollars)



Balanced Scorecard Strategies

Senior Commercial Officers from EAP worked on developing their local strategies under the Balanced Scorecard (BSC) during the recent SCO conference in Los Angeles. Their work is part of the ongoing process to ensure that activities at the local level are aligned with the strategic objectives of the organization as a whole. The next major BSC workshops will be

held during the Europe/ANESA SCO conference in May and Western Hemisphere SCO conference in June. Individual SCOs who want to get a head start on this process are encouraged to contact Richard Ryan in the Office of Strategic Planning at 202-482-4310 or Richard.Ryan@mail.doc.gov.

Commercial Diplomacy Success

The Commercial Diplomacy Success (CDS) performance measure pilot has been expanded to include all four OIO regions and continues to generate specific examples of CS diplomatic work. Senior ITA officials have been briefed on the CDS and their response has been very positive. The CDS guidelines focus on three factors: 1) defining the prob-

lem; 2) CS support provided in a government-to-government context; and 3) a resulting action by the foreign government that benefits a U.S. company or commercial interest. Please review the guidelines and examples on OurPlace and contact Chris Christov in the Office of Strategic Planning at Chris.Christov@mail.doc.gov if you have any questions.

In 2006, China attracted \$46 of FDI per capita; India attracted just over \$14 per capita; and the United States attracted \$578 per capita.

Foreign Direct Investment (FDI)

ITA has launched a new program to attract FDI into the United States – the *Invest in America* initiative. The Commercial Service will work closely within ITA and state and local government partners to play an important role in this initiative. The *Invest in America* initiative focuses on three areas:

- Outreach to foreign governments and investors

- Outreach to state and local governments and municipalities
- Addressing business climate concerns

For more information on the initiative, please visit the [Invest in America](#) Web page. You will also be receiving further guidance at a later date.

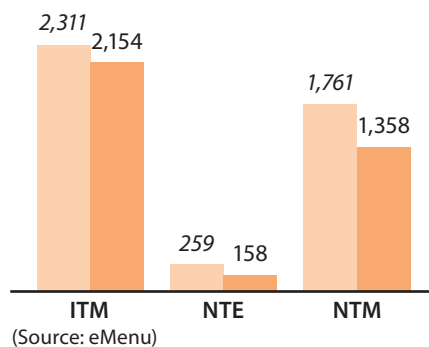
Export Successes

Total Export Success (ES) production in the first half of FY07 was 84 percent of the mid-year target, as illustrated by the graph below. The second quarter results are an improvement from the first quarter, but still show the lagging effects of the new ES verification standards and other factors.

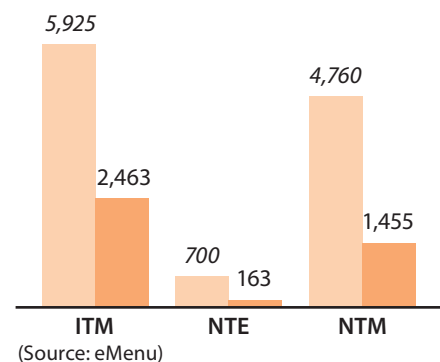
The following graph compares year-end export success goals (11,385) to actual, as of May 2.

Export Successes are a powerful tool that demonstrates the results we produce throughout the nation and around the world, so please keep up the good work of harvesting and reporting!

FY2007 Export Successes:
Mid-Year Target vs. Actual



FY2007 Export Successes:
Year-End Target vs. Actual as of 5/2/07



DG Awards**Categories:**

Client Outreach;

Innovation;

Leadership;

and Strategic

Management

Assistant Secretary Announces DG Awards Program

Assistant Secretary and Director General Israel Hernandez is proud to announce this year's CS-wide awards program to recognize exceptional performance in the critical Balanced Scorecard areas of strategic management; innovation and learning; customized client service; and promoting stakeholder relationships. The DG Awards program is open to all full-time CS employees. There will be four categories of awards: Client Outreach;

Innovation; Leadership; and Strategic Management. The Office of Professional Development will coordinate the awards program. Please direct inquiries to Brian McNamara at 202-482-0332 or Brian.McNamara@mail.doc.gov. For more details on eligibility and submission information, please visit the DG Awards section on the Professional Development Forum on [OurPlace](#).

OPD Pilots Market Research Development Webinar

The Office of Professional Development pilot-tested a Market Research Development Webinar designed to provide FSNs with a framework and useful tips for writing consistent and effective market research. The Webinar was hosted and facilitated by Senior Commercial Officer Julie Snyder of Bern, Switzerland, and a total of 31 Commercial Specialists and Commercial Assistants from

twelve posts participated. Some of the topics covered included market research for Gold Keys and International Partner Searches and best practices for communicating market intelligence to clients through daily e-mail counseling messages. A live Market Research Development course is being developed for ODO and OIO audiences for the Professional Development Forum in June 2007.

OPD Pilots International Project Finance Training

In April, the Office of Professional Development co-coordinated a training session on International Project Finance. The training was conducted at the Inter-American Development Bank in Washington, DC. Six OIO/Commercial Officers and 20 members of HQ staff participated in a customized training which featured interactive modules on

cash flow modeling, syndicated bank loans, political risk analysis, and the role of various multilateral agencies in the financing of major projects. Sector-specific case simulations involving energy and transportation projects were used to illustrate deal structuring and risk mitigation.

Need help placing
an article?

Contact

Curt Cultice

202-482-2253

Curt.Cultice@

mail.doc.gov

Client Service: Increasing Client Communications

The Customer Relationship Management Unit (CRMU) has created some useful tools for increasing client communications. Visit their page by clicking on “Customer Service” from [OurPlace](#) (userid: usfcs; password: crmu) and try these suggestions to improve the way we serve our clients:

- Make sure your office has fully implemented our Product Enhancements and Standard Operating Procedures (found on the CRMU web page).

- Update your e-mail signature with basic contact information and text that encourages feedback from clients. Try something like this:

“You can e-mail your comments/suggestions about this trade specialist to: Customer.Care@mail.doc.gov. Please include the name of the trade specialist who assisted you and a daytime number for you in your e-mail. The U.S. Commercial Service appreciates your feedback and will consider your comments as we revise our export counseling assistance in the future.”

ciates your feedback and will consider your comments as we revise our export counseling assistance in the future.”

- Send your clients’ e-mails/letters regarding their experience working with you to CRM-SuggestionBox@mail.doc.gov so that we can incorporate this feedback into our customer service reports and organizational performance measures.
- Since most client feedback and complaints are experience or service-oriented rather than results-oriented, please take the time as an office to discuss client feedback and take action. Several CS overseas offices have done just that and their customer satisfaction scores have benefited as a result.
- Help the CS improve its customers’ experiences by sending your ideas, best practices, challenges and suggestions to our CRM-SuggestionBox@mail.doc.gov or call 1-866-482-8111.

Telling Our Story

Our featured press this month focuses on Trade Specialist Heather Ranck and her 15 minutes of fame in *The Fargo Forum*. Her talking points included information about our products and why small companies should consider exporting and using the Commercial Service. To read the article, click [HERE](#).

and Partnerships Office at 202-482-2253 or Curt.Cultice@mail.doc.gov. Curt recently prepared an article on China’s emerging secondary markets, quoting Senior Commercial Officer Barry Friedman, which was published in 41 Business Journals around the country. To read the article, please click [HERE](#).

Need help placing an article? Contact Curt Cultice in the Marketing, Communications,



ITA Quarterly Star Winners

Two outstanding ODO employees recently won ITA Quarterly Star Awards for 2007: **Monica Toporkiewicz** of CS Chicago won the “Outstanding Professional” award for contributions above and beyond her normal duties during a sudden staff shortage in the first quarter of 2007; and **William Kutson** of Glob-

al Trade Programs won the “Outstanding Supervisor/ Manager/Team Leader” award for exemplary professionalism in support of Departmental objectives.

Congratulations Monica and Bill, for your excellent work and notable contributions!

Other News

Richard Swanson has been selected as the ODO Network Director for the Pacific South, which includes Southern California, Nevada and Hawaii. Richard comes to this position with 17 years of experience in the Commercial Service, starting as an intern in 1990 and then trade reference assistant for CS Santa Ana, California in 1991. Richard has worked in and/or helped open many of the offices within the network over the last 12 years, including Export Assistance Centers in Long Beach, Ontario and downtown Los Angeles. He was director of the downtown Los Angeles office, followed by the Newport Beach office for the last seven years. Richard’s experience also extends to the teams program, where he was a national team leader for both the Eu-

rope and Information/Computer Technology teams. Congratulations, Richard!

Cliff Brown has joined the Customer Relationship Management Unit. He transferred from the Office of Strategic Planning.

Heather Ranck has joined CS North Dakota as an International Trade Specialist after serving as a contractor in the same position since March 2005. Heather helped open the Fargo office two years ago after moving to North Dakota from the non-profit sector in Mozambique. She is a graduate of the George Washington University School of International Business and has an MA in Peace and Justice Studies from the University of San Diego.

Employee of the Month

Nancy Hesser of Global Trade Programs (GTP) is the CS “Employee of the Month” for May. Nancy exemplifies a quiet spirit who helps her colleagues and expects nothing in return. She spearheaded the promotion, recruitment and vetting of U.S. companies for the recent, and very successful, trade mission to India, led by Under Secretary Lavin. Nan-

cy’s organizational and people skills assured a seamless process for an event that involved screening well over 200 U.S. companies, while coordinating with ODO offices and several posts. The result was a trade mission that provided tremendous value and benefit to the U.S. companies participating. Congratulations Nancy!