

**REPORT ON AMCHAM DELEGATION MEETINGS
WASHINGTON DC—OCTOBER 24-25, 2005
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Chairman Trade and Government Committee**

On Monday and Tuesday, October 24 and 25, 2005, a delegation from Amcham Australia met with key government and industry representatives in Washington DC. The Amcham “2005 Washington Doorknock” followed meetings in early September in Canberra with Australian and U.S. Government officials. Delegation members were National Director Charles Blunt, Trade and Government Committee Chairman Patrick Fazzone, and Committee Member Geoff Short.

As in the meetings in Canberra in early September, the focus in Washington meetings was on issues relating to the implementation of the Australia-U.S. Free Trade Agreement (“AUSFTA”). The Doorknock delegates met with officials from the Australian Embassy, U.S. Government officials from key departments and from the Congress, and the Washington DC offices of various Amcham member companies.

Several key points became clear from the meetings in Washington. First, the general feeling is that AUSFTA has played and will continue to play an important role in the enhancement and improvement of the trade and investment environment between the two countries. Having said that, virtually every government official (from both countries) stressed the importance of identifying tangible AUSFTA success stories. This was seen as particularly important from the Australian perspective given the parliamentary elections likely to be held in 2006. U.S. Government officials also expressed keen interest in this as support for the overall approach of entering into bilateral trade deals. Amcham was urged to survey its members for success stories that could be conveyed to both governments.

Second, the perspective of the two governments differs somewhat on where to go from here. It is clear that the Australian Government views AUSFTA as a starting point for continued progress in liberalizing the trade and investment environment between the countries. Austrade and DFAT officials expressed keen interest in pushing agendas for the various working groups that are to convene in accordance with the various provisions in AUSFTA. Thus far, several of these groups have had preliminary meetings, notably the professional services and financial services working groups. The Australian Government is keen for other working groups provided for in the agreement to meet in the coming year as well. The U.S. Government, on the other hand, sees less need to push ongoing agendas unless U.S. industry comes to it with tangible issues on which it would like assistance. One such area is in pharmaceuticals and the U.S. Government *is* interested in convening a working group in that sector. (The U.S. Government’s perspective is that this is one area in which the Australian Government is not interested in meeting!) It was clear to the Amcham delegates that providing input to the governments

will be important to the extent there are issues that may be addressed under the AUSFTA framework.

Finally, the meetings in Canberra and Washington DC have underscored that there are areas in which ongoing effort by industry and both governments will be important. One particularly critical area is in the area of business mobility between the countries. AUSFTA does not address perceived problems in this area. The delegation recognized the value and usefulness of recent U.S. legislation creating an E-3 treaty class of visas for Australian in specialty occupations. However, the delegation also stressed the importance of ongoing work to address other equally compelling problems including in the processing of other types of U.S. temporary employment visas, in the processing of visa applications at the U.S. Consulates in Australia, and in the U.S. Department of Homeland Security's handling of border control. The Amcham delegation undertook to follow up with U.S. Government officials from the Departments of State and Commerce and with the Office of the United States Trade Representative ("USTR") to provide concrete examples of problems confronted by business travelers in these areas. Amcham was urged to follow up as soon as possible so that this information can be considered by an inter-agency group that is meeting to discuss ways to address issues and problems in this area.

Another area where ongoing effort will be important is in the administration of the AUSFTA rules of origin. These rules help define which products are entitled to benefit from reduced tariffs negotiated under the agreement. Amcham delegate Geoff Short recounted problems in the implementation and acceptance of these new rules. His presentation elicited considerable interest among U.S. and Australian trade and customs officials and hopefully will help bring about improvements in this area.

A third area of focus will be in identifying areas where liberalization is still needed notwithstanding the liberalization provided for in AUSFTA. It has recently come to the attention of Australian Government officials that some areas of the U.S. government contracting market thought to be opened to Australian exporters are actually exempted from the AUSFTA government procurement provisions. Similarly, in some areas, intended liberalizing measures will not be achieved without implementing legislation by the Australian Government.

Beyond these issues, the Amcham delegates stressed industry's interest in such AUSFTA priorities as the harmonization of the countries' intellectual property protection regimes, expanding and facilitating the opportunities for companies of each country to sell to the other's government procurement market, and the opportunities to enhance the trade in services between the countries.

Over the coming months Amcham will focus on follow up efforts to identify other issues and areas for ongoing attention as well as on providing input reflecting member concerns to the two governments. Amcham sees an unprecedented opportunity for U.S. and Australian companies to achieve an ever improving trade and investment

environment between the countries. Amcham looks forward to working with its members to help bring about these beneficial changes and improvements.

For further information on the 2006 Washington Doorknock or on any trade or investment issue of concern to you or your company please contact Charles Blunt on (02) 9241 1907 or at ceo@amcham.com.au

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