

the inner chamber



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Forum Chairs

The "Working Groups" area of www.amcham-china.org.cn has more about AmCham's forums and committees

Aerospace ¹	Martin Lin , Rockwell Collins
Agriculture ¹	Greg Gilligan , McDonald's (China) Company Ltd. Tate Miller , American Paper & Forest Association Inc.
Automotive ¹	Yaping Wang , Ford Motor China
Aviation Cooperation Program ¹¹	Chris Metts , FAA David Wang , Boeing
Beijing ¹	John Holden , Shaklee
Chaoyang ⁵	David Kay , Microsoft (China) Sean Mok , Warner Brothers
Clean Technology ²	Robert Jones , Ecolinx Jim Mahoney , Cleantech Group
Cosmetics ²	Carol Shen , Estee Lauder Companies
Energy and Power ²	Isikeli Taureka , Chevron Corporation
Environmental Industry ¹	Jim Mahoney , Cleantech Group
Export Compliance Working Group ⁵	Jim Gradoville , United Technologies David Wang , Boeing
Financial Services ²	Joshua Kurtzig , DAC Financial Management Bing Zhou , GE Money
Food ¹	Owen Ma , Pepsi, Co, Inc.
Healthcare Industry ³	Ahmet Esen , Pfizer Jimmy Ip , Stryker China Roberta Lipson , Chindex
Human Resources ³	Jim Leininger , Watson Wyatt Worldwide
Insurance ²	Malone Ma , Metropolitan Life Insurance Lester Ross , Wilmer Cutler Pickering
Intellectual Property Rights ⁴	Ahmet Esen , Pfizer Steve Hanley , Caterpillar James Haynes , Tee & Howe

David Kay , Microsoft (China)	
IT and Telecom ³	Edward Dean , BDA (China) Ltd. David Hoffman , PricewaterhouseCoopers
Marketing, Advertising and Public Relations ¹	TBD
Manufacturing ³	Victor Gao , Individual Harold Lang , Terex Hongjie Wang , Cummins
Media and Entertainment ³	Alastair Campbell , THOMSON Broadband R&D Anne Stevenson-Yang , Monkey King Investments Jeremy Goldkorn , Standards Group David Hoffman , PricewaterhouseCoopers
National/Regional Structure TF	John Watkins , Cummins
NE Working Group ⁶	Emory Williams , SureBlock Company
Provincial & Regional Development ⁶	Emory Williams , SureBlock Company
Real Estate and Development Industry ¹	Eric Hirsch , Jones Lang LaSalle
Retail and Distribution Industry ¹	Matthew Estes , BabyCare Ltd.
Small- and Medium-sized Enterprises (SMEs) ²	Robin Adams , Yi Ming Executive Coaching Company Stacey Berlow , Project Balance LLC Anthony Goh , US-Pacific Rim International, Inc.
Sourcing ¹	Dwight Nordstrom , PRI Scott Olson , Emerson
Standards ¹	Chris Lanzit , ASME Wen Shanlin , NEMA
Tax ¹	Gus Kang , Deloitte Touche Tohmatsu CPA Ltd. Alan Wu , PricewaterhouseCoopers
Tourism Industry ²	Jamie Lee , Los Angeles Convention and Visitors Bureau China Office
Training and Development ²	Alan Babington-Smith , LMI China
Transportation and Logistics ²	Justin Barrow , Penske Bill O'Brien , Havi Foods

Committee Chairs

American Community and Culture (ACC) ²	Kathy Chi , Golden Richland Business Consultation Emory Williams , SureBlock Anthony Goh , US Pacific Rim International Inc.
Appreciation Dinner ⁶	Yan Xuan , SG
Charity Ball ⁷	Gregory Gilligan , McDonald's John Holden , Shaklee
Chinese Government Affairs ⁸	She Duanzhi , IBM
Corporate Governance	Bruce Quinn , Rockwell Automation
Corporate Social Responsibility ²	Andrew Andreasen , Shanghai AIAL Elizabeth Knup , Individual
Golf Programs ³	Tibor Baranski , Jun He Law Offices
Legal ⁵	Nathan Bush , O'Melveny & Myers

Corporate Counsel Subcommittee	Andrew Starger , AT&T Shawn Zhao , Google
US-China Business Mediation Center Subcommittee	Edward Williams , Individual
Membership ⁹	Robin Adams , Yiming Consulting
Public Policy Development ⁵	Mark Duval , Motorola Matt Roberts , About Information Technology
Security and OSAC Liaison ⁹	Frank Hawke , Kroll
US Government Relations ¹⁰	Donald Forest , Sierra Asia Partners John Holden , Shaklee Stephen Kho , Akin Gump Malcolm Lee , Microsoft
Visas ⁹	Sidney Kwok , United Airlines

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Know Your Working Groups

AmCham-China's working groups (forums and committees) are an invaluable component of what the chamber offers to its members. Each is an industry or area-focused group that meets to discuss critical developments, draft policy recommendations for the annual White Paper, and plan chamber workshops and events. These meetings are also great opportunities for members to network and meet their peers from other organizations. Each month *China Brief* highlights specific working groups to give our readers a better idea about what they do. If you would like to get involved please contact the appropriate staff member (please see box left). The AmCham-China website has the most current listing of the working group leadership.

Public Policy Development Committee (PPDC)



AmCham members with Tom Ridge (center) during the 2008 Washington Doorknock

Founded in 1998, the Public Policy Development Committee (PPDC) leads AmCham's policy and advocacy development process. The PPDC provides leadership to forums on advocacy strategies and policy issues, and takes a lead role during the annual White Paper process. AmCham's White Paper, published each spring, presents the official chamber positions on trade and commercial issues affecting the US business community in China and the PRC's overall business environment. It also gives recommendations for both the US and Chinese governments on how improve the business climate. In addition, it gives a year-on-year assessment of progress at AmCham. The bilingual White Paper is the most important policy document that the chamber publishes each year.

As the committee that shapes the

White Paper, and to a significant degree AmCham's overall policy agenda, the PPDC plays a major role in the government relations activities of the chamber. In addition to the White Paper, it also works on numerous policy statements, such as submissions and comments in response to new draft laws and regulations, trade policy negotiations and reports on the status of the US-China trade relationship. As AmCham's policy driver, the PPDC and its members also participate in many high-level government meetings with both Chinese and US government officials and relevant stakeholders.



Rep. Rick Larsen (D-WA) with AmCham's 2007 White Paper in hand

One of the most important policy events is AmCham's annual Doorknock trip to Washington DC, during which the AmCham delegation meets with US government officials from the legislative and executive branches to raise awareness regarding areas of interest to our membership and our positions on the issues. While many different forums play a role in this process, and all members are welcome to participate, the PPDC is the driving force behind both the White Paper and Doorknock. The White Paper process is already underway, so now is the time for AmCham members to get involved.

William Hess of Global Insight chairs the PPDC.

To get involved please send an e-mail to **Fannie Chen** at:

fchen@amcham-china.org.cn



John Watkins giving the keynote presentation in Hubei

Hubei Province Program in Shanghai

At the invitation of the Hubei Provincial Government, AmCham-China Chairman **James Zimmerman** and Vice Chairman **John Watkins** led a delegation of member companies to attend the 2008 Hubei Shanghai (Yangtze River Delta Area) Economic Cooperation Series held in Shanghai.

The objective of the Economic Cooperation Series is to promote links between the Shanghai area and the Central China region, and to demonstrate the commitment of both the Hubei and Shanghai governments to help better coordinate investment opportunities between the coastal and central regions of China.

The program included a private breakfast, a roundtable meeting for multinational representatives and banquet with Hubei Governor **Li Hongzhong**, Vice Governor **Tian Chengzhong**, Wuhan Mayor **Ruan Chengfa** and other Hubei and Shanghai government representatives and leadership.

Member companies in attendance included senior managers from GE, Cummins, Anheuser-Busch, Terex, Eaton, Cargill, HP, Microsoft, US Steel, Rohm & Haas, Textron, Tyco Electronics, Trust Mart (Wal-Mart) and Dow Chemical.

Zimmerman thanked the Hubei and Wuhan leadership for their support of AmCham-China member companies and recognized the unique role that Hubei and Wuhan play in

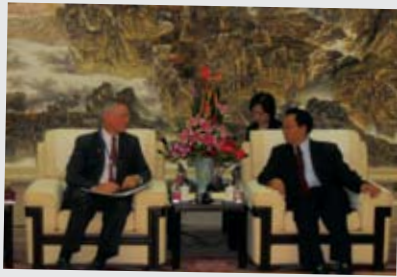
China's ongoing development of the inland 2nd and 3rd tier cities. During his remarks Zimmerman told the audience, "Since all roads in China lead to Wuhan and Hubei Province—given its key strategic role as the transportation hub of Central China between the coastal and inland areas—AmCham-China and its members are increasingly working together with the Central China government leadership to build strong ties needed to enable our members to tap the opportunities." He went on, "AmCham-China continues to build bridges between the international business community and the provincial and local Chinese governments and domestic industry, and our chapter presence in Wuhan demonstrates our commitment to Central China and the Yangtze River Delta Area."

At the evening banquet hosted by Governor Li, Mr. Watkins (pictured above) was chosen by the Hubei leadership to give a keynote presentation reflecting the endeavors of multinational companies operating in Central China citing the experiences of Cummins Engine.

AmCham-China Delegation Visits Henan Province

AmCham-China was a co-sponsor of this year's Henan International Investment & Trade Fair and 10 members from the IT, manufacturing, consulting and finance industry sectors visited

the province to take part in this important regional gathering.



AmCham President Michael Barbalas meeting with Party Secretary Xu Guangchun

The delegation, led by AmCham-China President **Michael Barbalas**, also met with the Party Secretary of Henan Province **Xu Guangchun** (pictured above). Each of the AmCham member companies had the opportunity to introduce their company and interest in Henan. Secretary Xu expressed appreciation to the chamber for co-sponsoring and supporting Henan's investment fair. He also provided an overview of Henan's opportunities for foreign investors in light of recent global economic challenges as well as the province's long-term development potential. Secretary Xu touted the region, calling Henan the most important province in Central China and pointed out that it has the largest population in the area and ranked fifth in GDP in the country.

He went on to say that Henan's strength lies in its agricultural and heavy industry sectors. At this year's fair, organizers hoping to diversify the area's offerings, invited investors from the service industry. Particularly well represented were those in the IT, consulting, finance and logistics sectors. Government and business leaders stressed that Henan's central location, well-established transportation infrastructure and large population give it great market potential for companies in these industries. Over the past few years Henan has built an expressway system larger than that of Great Britain.

Members of the AmCham delegation also had the opportunity to meet Governor **Guo Gengmao** and were invited to a welcome dinner hosted by Director General **Li Qingshu** from the Henan Provincial Department of Commerce.

This is the third recent visit to Henan Province made by an AmCham delegation.

Check the events area of the AmCham site regularly for information about upcoming provincial visits.

Post-Olympics Talk with Thomas Friedman

The chamber kicked off its post-Olympics event season with a timely discussion on green policy featuring world-renowned author and *New York Times* columnist, **Thomas Friedman** (interview on page 32). The luncheon event held at the Beijing Marriott City Wall drew a crowd of nearly 150 who came to hear Friedman speak about environmental challenges and the business opportunities they may create. In his introductory comments he praised Beijing for taking the drastic measures necessary to ensure blue sky days during the Games, but also wondered what it would take for the government to keep some of these measures in place now that the city's residents have had the opportunity to breathe cleaner air and drive on relatively traffic-free roads.

Friedman cited examples from his new book *Hot, Flat and Crowded: Why We Need a Green Revolution—and How It Can Renew America*, in answers about China's rapid development and the business opportunities the so-called "green movement" can create for US companies. He argued that for America to be competitive in the years ahead, its business community needs to be on the cutting edge of green technology development, which he sees as the next big economic trend.

Friedman noted that many in China suggest it's unfair that the country be taken to

task for polluting when Western nations were not pressured to maintain green standards during their era of greatest development. His reply to those who complain about this inequity is that the more China pollutes, the better it is for US firms that will be selling innovative green technologies to China as the pollution and unsustainable development practices become untenable. Whereas some Chinese see going green as a burden, Friedman sees it as a golden opportunity.

After the talk, audience members asked Friedman about the connection between economic growth and democracy, and his thoughts on what the US government can do to speed along green innovation.

Aviation Cooperation Program Training Session Launched

The US-China Aviation Cooperation Program (ACP) launched its third Executive Management Development Training (EMDT) for Chinese aviation executives and officials earlier this month. Deputy Administrator of Civil Aviation Administration of China (CAAC) **Yang Guoqing**; Deputy Chief of Mission, American Embassy-Beijing **Dan Piccuta**; ACP chairmen **David Wang** and **Chris Metts**; AmCham Chairman **James Zimmerman** and ACP Executive Director **Joe Tymczyszyn** attended the ceremony and addressed the audience during the celebra-



Thomas Friedman addressing the AmCham community about environmental issues



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David Wang and Chris Metts discussing the third EMDT

tory dinner. The celebration was attended by over 70 guests including CAAC senior officials, the EMDT students and ACP members.

EMDT, launched in 2006, is a long-term program that trains the civil aviation leaders of the future. In the past two years, 70 Chinese executives have participated in the EMDT. This year, 34 participants will receive a well-designed and organized training program that covers leadership skills, aviation safety and efficiency management, advanced human resources management, air traffic management, as well as an introduction of new safety and environmental technologies. The first month of training is in Beijing, followed by three months in the US (Washington DC, Palm Coast, Daytona Beach and Seattle).

The US-China Aviation Cooperation Program, an American Chamber of Commerce in China cooperative program, was created in 2004 and is an innovative public-private initiative which enhances cooperation between the Chinese and the US aviation industries and promotes bilateral trade relations between the US and China. This partnership is supported by grants from the US TDA and contributions from ACP members (US aviation companies operating in China). In collaboration with CAAC, in addition to EMDT, ACP has also provided cooperative programs in air traffic management, safety, airline management, general aviation development and aircraft certification safety.

AmCham Reps Meet with BIT

Members of AmCham's Public Policy Development Committee (PPDC) and Legal Committee met with the US-China Bilateral Investment Treaty (BIT) negotiating team for a briefing on the first round of negotiations. BIT covers topics including standard treatment issues and transparency.

Wesley Scholz from the Department of State and **Daniel Bahar** from the US Trade Representatives led the briefing, which also featured representatives from the US Treasury and the Department of Commerce. Secretary **Henry Paulson** and Vice Premier **Wang Qishan** announced the start of BIT negotiations during last June's SED, a decision that was made only after 17 months of exploratory discussions and pre-negotiations, said Bahar.

Following the briefing, AmCham members provided input to the delegation, voicing their concerns moving forward with a US-China BIT. AmCham Legal Forum Chair **Nathan Bush** hosted the meeting.

AmCham Hosts USTR Lunch Meeting

AmCham hosted a lunch meeting with **Tim Stratford**, Assistant officer of United States Trade Representative (USTR) for China Affairs; **Claire Reade**, Chief Counsel for China Trade En-

New ACC-AmCham Culture Committee Launches

AmCham-China is delighted to announce the newly formed ACC-AmCham Culture Committee, formerly known as the American Community Club.

The new ACC aims to involve members in events that will increase their appreciation and understanding of ancient and modern Chinese culture and art. Through a series of fun and informative events, the ACC plans to introduce to its members the best of Chinese culture, such as arts, history, music, food, relic sites and world heritage projects.

It will also serve as a bridge by introducing certain aspects of American culture to the Chinese community.

ACC is working with the Chinese Wushu Association and plans to conduct Taiji and Wushu (Kung Fu) classes for adults and children in the Asian Games Village (Ya Yuncun) area for our members and their families. The classes are scheduled to begin in mid-October.

They are also interested in hearing about your ideas for events and are looking forward to your participation. To comment, make suggestions or sign up to get on the committee's mailing list, please e-mail **Julie Leng**:

julie@amcham-china.org.cn

They encourage active involvement and participation by all members.

forcement at USTR; and various members from the Department of Commerce, Federal Trade Commission and US Embassy in Beijing. Members received an update on preparations for the next round of the US-China Joint Commission on Commerce and Trade (JCCT) talks.

USTR solicited comments from members on bilateral trade issues to be raised and discussed at the JCCT. The meeting covered a wide range of topics, including market access issues for retailers and distributors, IPR and patent issues, Chinese textile exports, the level of US engagement with the SAIC and the upcoming BIT negotiations.

As of publication, the September JCCT was scheduled to be led by Vice Premier **Wang Qishan** from China, and USTR Ambassador **Susan Schwab** and Secretary of Commerce **Carlos Gutierrez** from the US.

Primer for the 2008 Board of Governors Election

Get involved in AmCham's annual elections

This year's Board of Governors (BOG) election will be carried out exclusively online using the voting system "Survey Monkey." The election will be open to all current corporate and individual AmCham-China members. The information about the 2009 BOG candidates will be available on AmCham-China's website in October.

AmCham-China will also be voting on proposed amendments to the chamber's constitution. These proposed amendments are also available on AmCham's website.

To cast their ballots, eligible voters will need to:

1 Receive the 2008 AmCham Election e-mail from "Survey Monkey." If you believe you are a voting member and have not received any e-mails by October 20, please contact **Emma Alvarez** at: ema@amcham-china.org.cn

2 Click on the link to the election ballot enclosed in the e-mail. This is a one-time vote only link; once you've completed and submitted your ballot, you may not return and change your

vote. However, if you do not have time to complete your ballot, you may return to finish and submit it.

3 Complete the ballot online. Please make sure you have ticked all candidates for the positions available. Also, please complete the vote for the proposed amendments to the chamber's constitution.

The election deadlines are:

- October 10, 2008, 5:30 PM: Deadline for nominations
- October 17, 2008, 12:00 PM: Voting begins online
- November 11, 2008, 12:00 PM: Online voting ends
- November 12, 2008, (tentative): New board members announced

The positions on the BOG available are:

- Chairman-1 position
- Vice-Chairs-3 positions
- Governors-10 positions



THE EXECUTIVE LIFESTYLE ON THE BANKS OF SUZHOU CREEK

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Provincial Trip to Hebei

AmCham-China continues initiative to help members explore investment opportunities

By Catherine Shao



AmCham President Michael Barbalas (center) with Tangshan and Cao Feidian leaders

A delegation of AmCham-China members recently traveled to Hebei Province to learn more about the business investment climate and meet with local government and industry leaders. The provincial trip delegation, led by AmCham-China President **Michael Barbalas**, made stops in Langfang and Tangshan. It is part of the ongoing Provincial Trip series, which AmCham operates to help members learn about opportunities beyond the traditional economic hubs of Beijing, Shanghai and Shenzhen.

Over 40 delegates representing a broad range of industry sectors, including manufacturing, IT, finance and logistics among many other participated in the trip. This, the 15th provincial trip, also saw an excellent mix of multinationals and small and medium-size enterprises.

Hebei Province

Surrounding the two metropolises of Beijing and Tianjin, Hebei is China's 6th largest province in terms of GDP. Moreover, it is located at the center of the Bohai Bay, which many expect to be the China's high-growth growing industrial belt, following in the foot-

steps of the Yangtze and Pearl River deltas. Hebei is China's major agriculture supplier and has a strong industrial base, although it has traditionally been ignored by foreign investors, overshadowed by the two more famous cities nearby.

One of the things that AmCham-China does on the provincial trips is introduce members to local government leaders. On the Hebei trip, mayors from Shi Jiazhuang, Cangzhou, Baoding and Handan, as well as Vice Governor **Yang Chongyong** met with the delegation and gave brief introductions of their cities or regions. Vice Governor Yang emphasized to the AmCham delegation that, as a rising star, Hebei, especially the Bohai Bay Region, would definitely be a highly dynamic and competitive region going forward.

Langfang

The delegation spent one day in Langfang and met the Mayor **Wang Aimin**. Langfang is 40 km away from Beijing, and 60 km away from Tianjin. The city has become somewhat of a weekend getaway for Beijing and Tianjin residents, who enjoy spending time there at the first-class golf courses

and the hot spring recreation centers. It has also become a major pipeline for higher education with a capacity of 100,000 students and 30,000 teachers. Moreover, Langfang enjoys a cost advantages over Beijing and Tianjin, with land price only 25 percent of those in Beijing, and 30 percent of those in Tianjin.

Mayor Wang mentioned that the second capital international airport is also located in Langfang. The medium-sized city is also home to 25 fortune 500 companies and over 1000 multinationals have invested there.

Tangshan

Tangshan is a coastal heavy industry city with a history of over 100 years. Following the tragic 1976 earthquake, the city has proven incredibly resilient. Today, Tangshan's GDP and financial revenue make up 20 percent of Hebei's totals.

While in Tangshan, the delegation visited a manufacturer of industrial gas and specialty chemicals called Air Products (AP). Initially, when AP listed Tangshan as a potential investment location, even their leaders did not know where the city was. However, after careful research, they chose Tangshan and then increased their investment considerably because they could easily find large steel companies as a customer base.

In addition, although Tangshan is a fast growing business hub, especially with the active Cao Feidian Industry Zone (see below), there is only one local five-star hotel in the urban district, leaving a huge opportunity for foreign investors. This was one of the many aspects of the city that delegation members explored.

Cao Feidian Industry Zone

Another highlight of this trip was the visit to the region called Cao Feidian Industry Zone (CFIZ). It has an area of 80 square km, and is one of the largest land reclamation areas in China. It has become an important local business center in recent years and boasts large companies including Capital Steel Company. After a long-term elaborate planning, CFIZ is becoming an international ecological and coastal city on the desert land of Bohai Bay Area. It has proven to be a major investment attraction, and appears to have a bright future.

AmCham-China regularly holds provincial trips. Please check the AmCham website frequently and keep an eye out for e-mail alerts to participate in future trips.