



Franklin J. Vargo

Vice President

International Economic Affairs

June 9, 2009

The Honorable Howard Berman
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
Washington, DC 20515

The Honorable Ileana Ros-Lehtinen
Ranking Member
Committee on Foreign Affairs
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Berman and Ranking Member Ros-Lehtinen:

On behalf of the National Association of Manufacturers (NAM) – the nation’s largest industrial trade association representing small and large manufacturers – thank you for your leadership in advancing the “Foreign Relations Authorization Act, Fiscal Years 2010 and 2011” (H.R. 2410), which is scheduled to be marked-up in your committee on June 10th. We would like to voice our support for two key sections within H.R. 2410, as well as for an amendment proposed by Congressmen Larsen and Kirk. These provisions will provide the federal government with the necessary tools to fight against international counterfeiting and piracy, protect U.S. intellectual property (IP) rights abroad, and strengthen our export controls system.

The NAM strongly supports language that directs the Secretary of State to appoint ten intellectual property attachés to serve in embassies around the world, as well as ensuring adequate resources to aid them in their task. NAM member companies understand and realize the damage that counterfeit and pirated products can impose on their businesses, their customers and our overall economic security. Intellectual property is the cornerstone of our nation’s economy – U.S. IP accounts for more than \$5 trillion of the U.S. GDP, half of all U.S. exports, and 40% of U.S. economic growth. Yet IP theft here and abroad causes U.S. businesses to lose up to \$250 billion in revenue each year and has already cost the United States an estimated 750,000 jobs. We are pleased that H.R. 2410 will provide our diplomatic missions with the necessary tools to fight counterfeiting and piracy overseas, as these attaches will help foster international cooperation and support for the enforcement of American IP rights.

The NAM also strongly supports the Larsen-Kirk Amendment, which prevents any weakening on compliance of intellectual property rights for energy or environmental technologies as part of negotiations under the auspices of the United Nations Framework Convention on Climate Change. We are concerned that, as international negotiations on climate change take place, proposals are being made that would allow foreign producers to use compulsory licensing to copy or infringe upon patented environmental and energy technologies. The NAM believes that international progress on the environment is very important, but believes strongly that compulsory licensing of U.S. technology and ideas cannot be permitted. American manufacturers have spent billions of dollars on developments and advances in these fields, and any move to allow foreign producers to use any form of compulsory licensing would have a severely detrimental impact on the U.S. economy and our workers.

Manufacturing Makes America Strong

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Further, the NAM appreciates the work of the Chairman to make the export control system more predictable, transparent and efficient. This bill will make U.S. manufacturers more competitive abroad while ensuring that the U.S. government protects our collective national security. In particular the NAM highlights two provisions in the bill. This bill removes commercial satellites and their related components from the U.S. Munitions List, a provision the NAM wholeheartedly supports and has long advocated for. Additionally, the bill increases State Department staff and allows for greater flexibilities in using resources to process license applications, both of which are greatly needed to sustain the defense industrial base and protect our national security. This bill is a positive step towards modernization of the export control system.

NAM members believe that this legislation, as well as the Larsen-Kirk Amendment, will go a long way to protect our nation's IP and ensure both the economic and national security of the United States. Thank you in advance for supporting this bill in committee and opposing any amendments that would weaken this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Franklin J. Vargo', with a long horizontal flourish extending to the right.

Franklin J. Vargo

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