



# TradeView

A Kentucky World Trade Center Publication

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## Leadership Forum Highlights Corporate Benefits of Free Trade Policies

### Papa John's International Honored for Export Achievement

On August 13th, the Kentucky World Trade Center co-sponsored a Business Leadership Forum where over 70 businesses were given the chance to voice specific trade concerns to those who have the ear of both Congress and federal policy-makers. Companies also had the opportunity to learn more about the issues related to free trade, market access, and international competitiveness that impact their efforts to sell abroad.

The distinguished members of the leadership panel included Congresswoman Anne Northup, Maria Cino, Assistant Secretary and Director-General of the Department of Commerce U.S. Foreign Commercial Service, and Kevin Ellis, the Director of Monitoring for the Department of Commerce Market Access and Compliance Unit. The panel also included John Autin, Director of the Louisville Export Assistance Center, and was moderated by KWTC Chairman Jay Tannon.

Maria Cino's main message to businesses was "Export. And export now."

Of about 25 million small businesses in the United States, only 200,000 -- fewer than 1% -- are exporting, she said. Of those, 64% export to only one country. The Commercial Service Officers located in U.S. Embassies around the world stand ready to help.

#### The Importance of Free Trade

One of the key issues discussed in detail by Congresswoman Northup was the recent passage of Trade Promotion Authority (TPA), its expected effect on U.S. competitiveness in world markets through the expansion of free trade, and the benefits of free trade to Kentucky's economy.

TPA strengthens the President's negotiating authority and credibility by reassuring foreign trading partners that agreements will be considered in a timely manner by Congress and not subject to changes that would force a costly return to the bargaining table. The President was previously empowered with TPA from 1974 until its lapse in 1994. During this time, TPA proved to be an asset to the President in negotiating five critical trade agreements, including NAFTA. The U.S. has not en-



The International Trade Forum included a distinguished panel of trade experts. L to R John Autin, Director of the Louisville Export Assistance Center, Congresswoman Anne Northup, KWTC Chairman Jay Tannon, Maria Cino, Director General of the U.S. Foreign Commercial Service, Kevin Ellis, Director of Monitoring with the Trade Compliance Center

tered into any such agreements since the lapse of TPA in 1994.

Congresswoman Northup stressed the fact that there are about 190 preferential trade agreements in the world today, and that the U.S. is a party to only three, while the EU is party to thirty-one, and Mexico party to ten. While we have been delaying, other countries have been negotiating better access for their exports.

As international trade agreements excluding the United States become more prevalent, we will no longer find ourselves driving industrial development, but rather forced to follow its progression as dictated by other countries that have come together to enter into economic alliances. No longer will the United States be the driving force behind international industry standards, trade practices, labor standards, environmental regulations or intellectual property protections. Northup commented that new trade agreements, made possible by TPA, could reverse this trend and insure that "American technology and standards become the prevalent worldwide technology and standards."

International trade agreements expand markets for American products overseas and allow for the importation of affordable products for the American consumer. The United States, and Kentucky specifically,

have reaped tremendous benefits from previous international trade agreements. Nationwide, one out of every fourteen workers is supported by the sale of U.S.-produced goods and services in foreign markets and more than one-fourth of all economic growth is driven by exports. Kentucky exports, which reached \$9 billion in 2001, have contributed 65,000 manufacturing and non-manufacturing jobs to the state's economy.

Northup encouraged companies to explain the benefits of free trade to their employees, and how it has positively affected their company and their job, so that they will in turn influence Congress to vote for free trade instead of against it.

Panelist Kevin Ellis commented that, once agreements are in place, it is his office's job to ensure that foreign countries comply with the agreements. Companies experiencing problems may visit

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## Meet with the CEOs of China's Largest Companies!

Thursday, October 17  
9:30 a.m. - 11:00 a.m.  
Mariott Griffin Gate  
Lexington, Kentucky

You are invited to meet with 40 prominent Chinese business leaders, including the Presidents and CEOs of China's largest companies, during their visit to Lexington, Kentucky. A short program will feature the Chairman of the China Council for the Promotion of International Trade (CCPIT) and CEOs from the delegation. Ample time will be allowed for attendees to meet with the delegates.

Don't miss this opportunity to gain first-hand knowledge and build relationships with China's top business and industry leaders!

The event is free, but reservations are required. For more information or to register, please contact the Kentucky World Trade Center at 800-233-KWTC or e-mail Trade Specialist Ying Juan Rogers at yingjuan@kwtc.org.

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## KWTC New & Renewing Members

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### RENEWING MEMBERS

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University of Kentucky - School of Business

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## Leadership Forum

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www.export.gov/tcc/ to report specific barriers to trade.

When asked which free trade negotiations will likely be the country's top priority now that TPA has passed, Ellis listed the most likely candidates as Chile, Singapore, Morocco, the Free Trade Agreement of the Americas (FTAA), and the World Trade Organization (WTO). Deadlines for finalizing the FTAA and WTO agreements have been set for January 2005. Ellis mentioned that the President has also listed South Africa, Australia and Central America as priorities.

### Papa John's Honored

At the start of the forum, Assistant Secretary Cino and Congresswoman Northup presented an Export Achievement Certificate to William Van Epps, managing director of the international division of Papa John's International, in recognition of the company's success in international restaurant franchising. Papa John's rapid success earned it the Kentucky World Trade Center's Thoroughbred Award in 2001 for distinguished success in exporting. In a few short years, the company has established itself in North, Central and South America, the Caribbean, Western Europe, and the Middle East. It expects sales in these regions to continue to grow, and is now focusing on new



Bill Van Epps with Papa John's International (C), accepts the Export Achievement Award from (L to R) Maria Cino, Director General of the U.S. Foreign Commercial Service, Congresswoman Anne Northup, and John Autin, Director of the Louisville Export Assistance Center.

markets in East Asia. In an interview, William Van Epps stated that within five years, Papa John's could expand its operation from the current 345 restaurants in 10 countries to more than 600 restaurants in 25 countries. The company expects to expand to Greece, Ireland, Korea, Panama and China next year.

The event was organized by the Kentucky District Export Council and the U.S. Department of Commerce as a service to local businesses, and was co-sponsored by the Kentucky World Trade Center and Greater Louisville, Inc.



Left: Congresswoman Anne Northup and KWTC Chairman Jay Tannon respond to questions from international business executives about free trade and U.S. access to foreign markets.

## Global Internet Update

### CHINA BECOMES NUMBER TWO WEB POPULATION

China overtook Japan this summer to become the world's second most active web audience, and its personal computer market is set to surpass Japan's later this year. The most populous nation, which in 2001 outpaced the United States to become the world's biggest mobile phone market, is benefiting from years of rapid economic growth of at least 7% a year that has fuelled an explosion in electronics demand.

In international web traffic, however, China remains a distant second to the United States. Chinese web surfers overtook the Japanese, despite Japan's higher number of individual users, because the Chinese have become more active users of the global Internet. With 1.27 billion residents, China accounted for 6.63% of all global Internet traffic in July.

Japan, which with a population of 127 million is one-tenth the size in China, was close behind with 5.24% of global web site traffic, followed by the United Kingdom and Canada, each with about 3.9%. Fueling Japan's growth is the explosion of mobile phone networks used to reach the web. Germany was just behind the United Kingdom and Canada, with 3.64% of the global web audience.

The United States accounted for 42.65% of all web traffic in July, reflecting America's role in pioneering and commercializing the international network of networks which make up the world wide web.

Source: [www.webofculture.com/updates/global\\_update\\_august\\_2002.asp](http://www.webofculture.com/updates/global_update_august_2002.asp)

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# Business Referral Service Update: Export Management and Trading Companies

Service providers can benefit from KWTC membership by participating in the organization's Business Referral Service (BRS) program, through which services are promoted to KWTC members. The BRS Update, which profiles different categories of service providers in each issue, is just one aspect of the BRS program.

## Capistrano Associates, Inc.

3706 Quail Hollow Court, Suite 204  
Louisville, KY 40241-6215

Phone: 502-425-4488  
Fax: 502-429-0123  
Contact: Gerrit Schroeder, President  
E-mail: gschroeder@capistrano-usa.com  
Web Page: www.capistrano-usa.com

Capistrano Associates specializes in international market development. Our focus is directed at opening international markets for U.S. companies. We will develop a network of distributors throughout the world and create "world class" international customer services to support these distributors, along with the logistics and essential back office services necessary to make it all work smoothly. Our staff of specialists can prepare an export business plan for your company, or analyze your existing export operations for constructive improvements. Capistrano Associates is multi-cultural, and multi-lingual.

## Global Trading Company

3208 Woodland Ave.  
P.O. Box 11549  
Louisville, KY 40251-0549

Phone: 502-776-4647  
Fax: 502-776-5019  
Contact: Li An Chou, President

Global Trading offers export market development and management as well as international project management services.

## Ibero Imports, Inc.

8908 Lippincott Rd.  
Louisville, KY 40222

Phone: 502-359-0658  
Fax: 502-326-5722  
Contact: Larry Hyman, President  
E-mail: info@iberoimports.com  
Web Site: www.iberoimports.com

Ibero Imports can help your company export products to Spain and Portugal and is currently the exclusive agent in Spain, Portugal and Andorra for Sam Houston, Jefferson's Reserve, Kentucky Tavern, Kentucky Gentleman and Colonel Lee Brand Bourbons.

## The Summit Company

P.O. Box 23337  
Louisville, KY 40223

Phone: 502-245-9764  
Fax: 502-244-1805  
Contact: Bob Schutz, President  
E-mail: Bschutz@aol.com

As Kentucky's most experienced export / import company, the Summit Company specializes in acting as a sales representatives for foreign companies wishing to enhance their presence and market share in North America. We also act as export representatives for small to medium size domestic manufacturers who aspire to sell their products overseas. We have worldwide sales experience and contacts.

## Toyota Tsusho America, Inc.

700 Triport Road  
Georgetown, KY 40324

Phone: 502-867-5016  
Fax: 502-868-3475  
Contact: Rusty Graves, Assistant V.P.,  
Accounting & Finance  
E-mail: Rusty\_Graves@taiamerica.com  
Web Page: www.taiamerica.com

As a major multi-business, globally oriented organization established in 1960, we provide our customers a variety of business services, including the gathering of vital product and market information from around the world, import and export trade, and the domestic sale of our diverse product line.

Our product lines consist of non-ferrous metals, machinery, iron and steel, auto parts, foods, energy, textiles, and chemicals. In addition, we provide services such as sourcing, engineering, recycling, logistics control and warehousing, project management, consolidation and exporting.

## Dear Trader

Dear Trader,

What is a 'harmonized system' number and why do I need it when importing & exporting?

- *Classified*

Dear *Classified*,

All of the import and export codes used by the United States are based on the Harmonized Tariff System (HTS). The HTS is a worldwide product classification system that is used to assign duty rates to specific commodities.

Every ten-digit HTS classification is part of a series of progressively broader product categories. The first six digits of the classification number are universal, while the last four vary by country.

Exports codes (which the U.S. calls Schedule B codes) are used on the Shipper's Export Declaration (SED), and administered by the U.S. Census Bureau. The Census Bureau uses the information contained in the SED to compile U.S. export statistics.

Import codes (which the U.S. calls HTS codes) are administered by the U.S. International Trade Commission (USITC) and are used on import documentation to help the U.S. Customs Service assess duty and tax rates as well as applicable regulatory compliance issues.

For assistance with determining the proper classification code for your product, you may contact the Kentucky World Trade Center at 800-233-5982 or visit the following web sites:

**Export Codes** (Schedule B, administered by U.S. Census): [www.census.gov/foreign-trade/www](http://www.census.gov/foreign-trade/www)

**Import Codes** (HTS, administered by USITC): [www.usitc.gov/taffairs.htm](http://www.usitc.gov/taffairs.htm)

## Join the State's Trade Mission to Mexico!

The Kentucky Cabinet for Economic Development is currently organizing a delegation of Kentucky business representatives to join a thirteen-state Appalachian-region trade mission to Mexico City and Monterrey, Mexico from December 2-6, 2002, called the 'Appalachia Meets Mexico' program. Throughout the trip, meetings and events are planned for the delegation, including individual business meetings based upon the objectives of each participant.

The itinerary for the Mexico mission is as follows:

December 2 ----- Business Appointments in Mexico City

December 3 ----- NAFTA Anniversary Summit (RepCom); 'Selling to Mexico' Seminar; Networking Reception

December 4 ----- Travel to Monterrey

December 5 ----- Business Appointments in Monterrey; Networking Reception at U.S. Consulate General

December 6 ----- Tour of Laredo Border

**Contact Stephanie Wheeler with the Kentucky Cabinet for Economic Development at 502-564-7140 to sign up today!**

# MARK YOUR CALENDAR!

*E-Mail Your Upcoming Events to Susan Cook at [scook@louky.org](mailto:scook@louky.org)!*

DATE	LOCATION	EVENT	SPONSORED BY	VENUE	CONTACT
October 3	Louisville	<b>15th Annual Kentucky World Trade Conference</b> Conference Theme: Are You Legal - Meeting the Challenge of Compliance with U.S. Export/Import Laws	Organized By: Kentuckiana World Commerce Council	Galt House Hotel, 8:00-4:30(sessions)Reception/Dinner 5:30-8:30	Syvoskia Bray-Reeder with Greater Louisville Inc. at 502-625-0029 or <a href="mailto:sbray@greaterlouisville.com">sbray@greaterlouisville.com</a>
October 3	Cincinnati, Lexington, Louisville	<b>Doing Business with Chile</b> Special Guest: Ambassador of Chile	Frost Brown Todd	Frost Brown Todd offices	Kathy Barrett at 513-651-6166
October 9-11	Santiago, Chile	<b>TecnoInternet - SOFTEL Empresas 2002 (Technology Trade Fair)</b>	Ky Delegation Organized By: Kentucky South America Trade Office in Santiago, Chile		Carmen Lanchos with the Kentucky Cabinet for Economic Development at 502-564-7140 or <a href="mailto:clanchos@mail.state.ky.us">clanchos@mail.state.ky.us</a>
October 16	Louisville	<b>Issues &amp; Opportunities in Key World Markets: A Review of Countries &amp; Currencies</b>	Organized By: Bank One Co-sponsored By: Kentucky World Trade Center	Bank One 5th Floor Board Room, Downtown Louisville, 7:45 - 9:30 am	Mark Klein at 502-566-2811 or <a href="mailto:mark_klein@bankone.com">mark_klein@bankone.com</a>
October 17	Lexington	<b>Meet with the CEOs of China's Largest Companies!</b>	Kentucky World Trade Center	Marriott Griffin Gate, 9:30 - 11:00 am	Ying Juan Rogers at 800-233-5982 or <a href="mailto:yingjuan@kwtc.org">yingjuan@kwtc.org</a>
November 4-15	China	<b>Building Materials Trade Mission to China</b>	Organized By: U.S. - China Build Program, <a href="http://www.uschinabuild.org">www.uschinabuild.org</a>		Rose Braden at 206-543-0700 or via e-mail at <a href="mailto:rbraden@uschinabuild.org">rbraden@uschinabuild.org</a>
November 13	Louisville	<b>Seminar: Hong Kong: Your Premier Business Platform for Post-WTO China -- Emerging Opportunities in Hong Kong &amp; China</b>	Kentucky World Trade Center, Hong Kong Trade Development Council	Brown Hotel, 8:00-10:00 am	Kentucky World Trade Center at 502-574-2400
December 2-6	Mexico City and Monterrey, Mexico	<b>Appalachian Region Trade Mission to Mexico</b>	Ky Delegation Organized By: Kentucky Cabinet for Economic Development International Trade Division		Stephanie Wheeler at 800-626-2930
December 5	Louisville	<b>Global Sourcing &amp; Import Procedures Seminar</b>	Organized By: Kentucky World Trade Center	To be determined	Kentucky World Trade Center at 502-574-2400
March 6-8	Guadalajara, Mexico	<b>AFIA - AGRO Trade Fair 2003</b> Feed, Livestock, Agricultural Equipment & Products	Kentucky Representative Office in Guadalajara, Mexico		Marcos Castillo at 011-52-33-3122-8105 or <a href="mailto:kymexico@infosel.net.mx">kymexico@infosel.net.mx</a>

## KWTC Member News

### BAX GLOBAL

BAX Global recently launched DirectShip, a service that funnels customers' consolidated shipments to 8 major U.S. gateways, where they are broken down for distribution throughout North America using BAX's surface and air networks. Previously, shipments were moved individually either to various destination airports or to a central distribution point. The new system can reduce cost and transit time. "On the whole we can shave 2-3 days off the time of a standard import program," said David Valenta, international product manager for BAX.

### FROST BROWN TODD



Jay Tannon

Frost Brown Todd LLC and the Kentucky World Trade Center are pleased to announce that Jay Middleton Tannon has been appointed to serve on the U.S. Trade Representative's Industry Sector Advisory Committee on Services for Trade Policy Matters as a representative of U.S. industry.

Mr. Tannon was appointed for an initial two year term by Donald L. Evans, Secretary of Commerce, and Robert B. Zoellick, United States Trade Representative, to help the federal government pursue trade objectives that reflect the concerns and interests of the private sector.

Mr. Tannon is a member of the Executive Committee of Frost Brown Todd, Co-Chair of the Firm's International Services Group, Chairman of the Kentucky World Trade Center and Chairman of the Kentucky District Export Council.

### TOYOTA

The KWTC would like to congratulate Toyota Motor Manufacturing Kentucky! In July, the ten millionth vehicle built in North America burst through a paper banner at the Georgetown, Kentucky plant, to much fanfare. The milestone marked 16 years of manufacturing in the U.S. and Canada, and a \$13 billion investment by Toyota in North American plants.

*Right: Toyota's 10 millionth vehicle was produced in its Georgetown, Kentucky plant.*



### UPS

On July 24th, UPS hosted a visit to its Louisville operations by several senior level government officials from Mexico and Argentina. Customs officials representing these two Latin American countries and Congressman Pablo Fontdevila of Argentina toured UPS's mammoth Hub 2000 facility and toured the UPS Customhouse Brokerage, which has responsibility for processing all UPS shipments imported into the U.S. The dignitaries also met with representatives from Greater Louisville, Inc.

UPS typically hosts several visits each year from international dignitaries and officials who want to learn more about the significant role UPS plays in global commerce. The visits give UPS the opportunity to promote and encourage reforms in foreign customs laws and regulations, making international trade easier and less cumbersome for people and businesses all over the world.

**E-Mail Your Member News to Susan Cook at [scook@louky.org](mailto:scook@louky.org)!**

## WTCA News

### WTCA President Shares Vision for Rebuilding World Trade Center

Guy Tozzoli, President of the World Trade Centers Association, has proposed that the below-ground level of the former site of the World Trade Center twin towers be built to house a convention center one-and-a-half times larger than the existing Javits Convention Center. "The exciting part of my proposal is that it does not affect any of the leasehold and retail areas presently contemplated," he says. "The project would also benefit immensely from being located at the best concentration of subway and other transportation facilities in New York."