



Issue Insight

July 2006

BritishAmerican Business Policy Action:

▶ **Joint Law Forum and Transatlantic Business Development Forum Event, “The Extradition Treaty: A Threat to Transatlantic Business?”**

The Law Forum and the Transatlantic Business Development Forum combined to hold an absorbing and informative panel discussion on the background to concern about the UK – US Extradition Treaty. Lawrence Graham LLP hosted the event at their offices on 31 May. The panellists were Roderick Armitage, Head of Company Affairs at the Confederation of British Industry (CBI), Marcus Rutherford, Head of European Litigation for Reed Smith, and Rebecca Stephenson, a Senior Associate in the London Dispute Resolution Group of White & Case LLP. Joanne Harris, senior reporter at *The Lawyer*, chaired the event, which helped air some very worrying concerns. BritishAmerican Business will continue to monitor this issue on behalf of its members.

▶ **Company Law Reform Bill and the Codification of Directors’ Duties**

On 6 June 2006 the Managing Director of BritishAmerican Business wrote to the Rt Hon Alistair Darling esq, MP, Secretary of State for Trade and Industry, and the Rt Honourable The Lord Goldsmith QC, Her Majesty’s Attorney General on behalf of the Law Forum to add the voice of the transatlantic business community to the criticism of the proposed codification of directors’ duties contained in Chapter 2 of the Company Law Reform Bill. BritishAmerican Business fully supports the views of the Law Society’s Company Law Committee and the City of London Law Society’s Company Law Committee’s joint working party to resist changes to the legislature or to bring clarity to the proposals. BritishAmerican Business

Russia takes a tough position ahead of the G8 Summit Brussels/Washington

Ahead of the G8 Summit taking place in St. Petersburg from 15-17 July, Russian President Vladimir Putin has warned that energy deals would only be made with friendly countries and that he is expecting reciprocity on issues such as the energy charter treaty. Igor Shuvalov, Putin’s chief advisor, explained that the Summit would seek to put in place a deal on uninterrupted supplies of energy.

[LINK](#)

Deputy Secretary of State Robert B. Zoellick resigns Washington

Secretary of State Condoleezza Rice’s top deputy Robert B. Zoellick has announced that he is resigning from the administration to join Goldman Sachs Group Inc. Zoellick stated that he is leaving his post after 16 months because his objective of helping Rice establish her management team has been achieved. Zoellick is best known for his role as interlocutor in the relationship between the US and China.

[LINK](#)

Hank Paulson is new US Treasury chief Washington

Hank Paulson has been nominated to replace John Snow as US Treasury Secretary. It is hoped that Paulson will revive the power of the department while boosting confidence in the Bush administration’s management of the economy.

[LINK](#)

believes the proposals, as they currently stand, would discourage US companies from setting up operations in the UK.

► **EU-US Vienna Summit Declaration**

The annual EU-US Summit took place on 21 June 2006 in Vienna. Leaders of the European Union and the United States met to discuss how to improve and enhance the transatlantic partnership and have adopted a number of priority actions to support cooperation in the following four areas: promoting peace, human rights and democracy worldwide; confronting global challenges, including security; fostering prosperity and opportunity; and, promoting strategic cooperation on energy and energy security, climate change and sustainable development. Many of these priorities reflected BritishAmerican Business views, which we submitted to the UK Government, at its invitation, prior to the Summit.

The complete Summit Declaration and related progress reports can be accessed on the European Union, Delegation of the European Commission to the USA website.

[LINK](#)

US and EU take action over counterfeit products Brussels/ Washington

Ahead of the EU-US Summit in Vienna on 21 June, the US and EU signed an agreement to establish joint diplomatic and customs teams focusing on the rise of counterfeit products in Russia and China. In future, attention will also be turned to Latin America and the Middle East. The teams will share intelligence and coordinate policy with the World Intellectual Property Organisation (WIPO).

[LINK](#)

Finland's EU Presidency will seek to finalise EU budget arrangements Brussels

On 1 July 2006 Finland will assume the EU Presidency and will be responsible for finalising the remaining budget details with the European Parliament.

Finland's objective is to avoid any unnecessary delays in the policy programme, which includes programmes covered by Structural Funds, the 7th Research Framework Programme and educational programme. The Finnish presidency will also be addressing the challenges posed by globalisation and enhancing the EU's competitiveness.

[LINK](#)

Riskier for Bernanke to follow the usual inflation fighting formula

Washington

Today's global economy will make it riskier for US Federal Reserve Chairman Ben S. Bernanke to follow the inflation fighting formula used by his predecessors. Still, Bernanke appears set to pursue this strategy. A record housing boom, the explosive growth of a highly leveraged hedge fund industry, and the first worldwide move to tighter credit by major central banks since 2000 will pose significant challenges to the traditional formula.

[LINK](#)

Energy review will include a range of potential power sources according to Prime Minister Blair London

Amid criticism that Prime Minister Tony Blair is not acting according to his own commitments on climate change, Blair has indicated that he will continue to back a new generation of nuclear stations as a means of securing energy supplies. Blair also stressed that money is being invested on micro-generation and renewable energy and insists that the forthcoming energy review will consider a 'whole range' of measures to address energy supply efficiency.

[LINK](#)

NYSE could be coming to London London

The New York Stock Exchange Group is considering setting up an exchange to compete with the London Stock Exchange (LSE) if its bid to takeover Euronext fails to meet expectations. The Chief Executive of the NYSE Group, John Thain, explained that the company was also considering acquiring the LSE if Euronext did not generate enough international listings.

[LINK](#)

EU national governments to improve patent system Brussels

According to the European Patent Office (EPO), EU member states, future members and candidate countries revealing a high level of innovation made over 63, 650 patent applications in 2005. However, Europe is still lagging behind the US and Japan where more than 65, 000 applications were made. The President of the EPO continues to stress that the systematic use of patents to protect technical innovations is important to the success of the EU's Lisbon strategy. An effective innovation policy should encourage European companies, especially small and medium sized businesses, to systematically use patents. EU member states had refused to endorse an EU-wide patent system but separate agreements, not brokered by the EU, have been reached and need only be endorsed by national governments.

[LINK](#)

Forthcoming Events

London:

10-11 July: Department of Trade and Industry, Informal Competitiveness Council meeting

25 July-9 Oct: House of Commons and House of Lords Summer Recess

Washington:

29 June: "Growth, Opportunity, Competition—America Goes to Work," Hearing by the Full Committee on Energy and Commerce

3-7 July: Senate not in session (reconvenes on 10 July)

Brussels:

29-30 June: "ICT for Bio-Medical Sciences 2006," Conference organised by the European Commission DG Information Society & Media and DG Research

6-8 July: Informal Ministerial Meeting, "Employment, Social Policy and Health," in Helsinki

BritishAmerican Business Policy Events

▶ **6 July:** CEO Briefing with David Pyott of Allergan, supported by FedEx and SEEDA

▶ **18 July:** Life Sciences Briefing by Jeb Bush, Governor of Florida.

▶ **12 Sept:** London Insight Series: Dinner with John Sawers, the Political Director of the Foreign and Commonwealth Office

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and the [European Council of American Chambers of Commerce](#)*