

Concerted Efforts to Compete Overseas

A Conversation with Dan Bloom of the Advocacy Center

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DESCRIBE YOUR ROLE AS THE DIRECTOR OF THE ADVOCACY CENTER.

My job is to make sure there is a level playing field for American businesses competing for exporting contracts abroad. Government regulations in other countries can often be confusing and complex. My office assists U.S. businesses that are having difficulty by coordinating the resources and authority of other U.S. government agencies, so that companies have even more of a competitive edge and can better secure government contracts overseas.



WHAT ARE SOME EXAMPLES OF HOW THE ADVOCACY CENTER SUPPORTS U.S. BUSINESSES?

The assistance we provide varies depending on the needs of a company. Sometimes we will facilitate a meeting between a U.S. government official and a company whose contract is up for bid. Or, we may write letters from high-ranking U.S. government officials. We also work with the hundreds of Commercial Service officers in the United States and abroad on behalf of U.S. companies. We've found these methods to be very effective; and the companies are grateful, because we help them to be successful. In fact, the Advocacy Center successfully completed over \$7 billion worth of transactions in fiscal year 2002.



WHAT PROMPTED THE CREATION OF THE ADVOCACY CENTER?

The Advocacy Center was created in 1993 in response to a report to Congress, which indicated that U.S. businesses were losing project competitions overseas. It was clear that there was no coordinated effort to help our companies combat the aggressive and at times questionable practices employed by other governments and companies to win project contracts. Before the Advocacy Center was created, there was no central office that was a repository of data or that had the capacity to mobilize resources. There was no specific unit to oversee and sustain an effort to provide high-level advocacy.

The competition for major contracts by other countries is fierce. The Advocacy Center was formed to help companies confront international trade concerns, such as lack of transparency, competitive financing, market restrictions, bribery, tied aid, rule of law, other governments' policies and procedures, and their competitors' advocacy endeavors. The potential loss of international business by American firms translates into lost American jobs. The Advocacy Center ensures that there is a concerted effort within our government that works on behalf of U.S. firms and their employees.



CAN YOU GIVE AN EXAMPLE OF A COMPANY THAT YOUR OFFICE HAS HELPED?

Since the Advocacy Center was established, we've helped hundreds of U.S. companies in various industry sectors win thousands of government contracts around the globe. A good example is an aerospace company, Air Tractor. Air Tractor, based in Olney, Texas, is a small manufacturer of aircraft used in agricultural and fire-fighting applications. In 2000, the Croatian Ministry of Interior selected this company to supply two fire-fighting airplanes to assist in fire patrols and fire-fighting missions during Croatia's annual coastal fire season. Air Tractor faced stiff foreign competition, so it contacted our office. The U.S. ambassador at the time sent a letter to the Croatian government. The assistant secretary of trade development also advocated on the company's behalf, and the help of the Commerce staff housed at the nearby U.S. embassy was enlisted. As a result, Air Tractor won the contract that ultimately was valued at approximately \$2.5 million.



HOW DO YOU SELECT PROJECTS THAT RECEIVE ADVOCACY?

If a company comes to our office requesting advocacy, it first must complete a questionnaire. Once the

questionnaire is submitted, it is reviewed by the Advocacy Center as well as commercial officers overseas and other staff to determine if advocacy support is in our national interest. We also look at criteria such as other U.S. competitors, foreign competitors and the support of their respective governments, decision dates, and environmental impact.

We also consider both the legitimate and questionable tactics of foreign competition. Part of the questionnaire process includes filling out an anti-bribery agreement. This is to certify that a company has not engaged in any bribery of foreign officials. This is because we want to make sure that our advocacy guidelines promote equitable competitive conditions for U.S. companies, so that the U.S. government is not in any manner involved in transnational bribery.



WHAT DO YOU DO IN CASES WHEN MULTIPLE U.S. COMPANIES ARE COMPETING FOR THE SAME CONTRACT, BUT ONLY ONE HAS ASKED FOR YOUR HELP?

We treat each request for advocacy as a confidential business communication. However, we check to see if other firms are bidding for the same project. If more than one bidder seems to offer the same benefits to the U.S. economy, then we support all of them equally.



ARE THE SERVICES THAT YOUR OFFICE PROVIDES ACCESSIBLE TO SMALLER FIRMS AS WELL AS LARGE?

As a matter of fact, the Advocacy Center is dedicated to serving small and medium-sized companies, since they usually face more significant trade barriers than large firms. For example, American Science & Engineering, Inc., a small Massachusetts company, was awarded the first phase of a multimillion-dollar contract with Portnet, a division of Transnet, a

registered South African company that answers to the Ministry of Public Enterprises, for a cargo container inspection system in Durban, South Africa. The U.S. company installed an X-ray scanning system for the South African port. The company also provided spares, operational training, shipping, and warranty service in conjunction with its local representative, Partners International. (See sidebar.)



HOW DO COMPANIES IN NEED OF THE SERVICES PROVIDED BY YOUR OFFICE FIND THE RIGHT CONTACT PERSON?

Clients can reach the Advocacy Center by calling (202) 482-3896, or by visiting the Web site at www.trade.gov/td/advocacy. It includes our staff directory, success stories, and our advocacy guidelines. We also have a list of frequently asked questions for potential clients to determine if our services will ultimately be beneficial to them. ■

AMERICAN SCIENCE AND ENGINEERING (AS&E), BILLERICA, MASSACHUSETTS

AS&E submitted its cargo security system bid to Portnet in response to a public tender. Portnet, a South African government-funded organization responsible for port operations, made the preliminary technical selection. AS&E contacted the U.S. Commerce Department's Advocacy Center and the Commercial Service office in Johannesburg, South Africa, for assistance to counter pressure and influence generated by competitors from Germany, France, and the United Kingdom. Transnet, the parent company of Portnet that works under a South African government ministry, approved Portnet's selection for the initial part of a very lucrative contract.

Mr. C.A. von Stackelberg, vice president of international business development at AS&E, appreciated the Commerce Department's assistance: "For a small business exporting, it is often very hard to keep the playing field level. The Advocacy Center was very proactive, and the Commercial Service in Johannesburg supported our proposal by helping ensure that we received a fair review."