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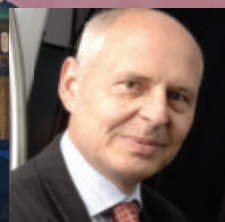
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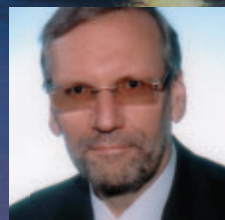
Oliver Hauck,
Siemens Mobility on
"High Speed Rail Needs"



Stefan Jacoby,
Volkswagen Group
of America
says "Yes, Virginia!"



Klaus-Peter Statz,
Deutsche Telekom, Inc.
"Beginning of a new
Innovation Cycle"



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EDITORIAL

Obama: "Germany is not waiting"

In his last State of the Union Address, Obama specifically singled out Germany alongside China and India as serious competitors for growth and economic power: *"These nations - they're not standing still. These nations aren't playing for second place. They're putting more emphasis on math and science. They're rebuilding their infrastructure. They're making serious investments in clean energy because they want those jobs."* In his speech, the President also announced funding a new nationwide high-speed rail system being built in-part with ARRA dollars.

Siemens Mobility - the high speed rail division based in Sacramento is ready to meet exactly those demands - find out from President Oliver Hauck how he plans to employ his company resources in the various U.S.-regions where these investments are taking place.

Back in 1960, Elvis Presley sang that "Frankfurt girls got pretty faces" - but Frankfurt and the entire region have not just pretty faces to offer - Frankfurt ranks first in Germany as "the" business center for American companies. The first American Consulate General opened there in 1829 and it is home to the German Stock Exchange. Read our cover story and learn more about the FrankfurtRhineMain region.



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GMR Marketing buys German firm called "Experience"

A Milwaukee marketing firm, has acquired an agency in Germany. GMR Marketing of New Berlin said it bought a firm called Experience, which has won a host of marketing and advertising awards. GMR chairman Gary Reynolds said the acquisition will give his firm a larger presence in Europe, which will help his clients meet a growing need for international promotion. He says it will also improve his company's understanding of the "global consumer." GMR Marketing has offices throughout the U.S. as well as in England, Canada, and China. With the acquisition of Experience, the firm will have 14 offices in 5 nations. • *WTAQ.com*

Germany's wind energy grows 15% in 2009

Germany's wind energy industry grew 15% in 2009, a year in which the nation's first offshore wind farm was installed off the northern coast, figures released Wednesday showed. The German association of Wind Energy said 952 new wind turbines were installed across the country last year, increasing the power supplied by wind to about 26,000 megawatts. One of the largest contributors was a new wind farm off the northern coast of Germany, the association said. Nationwide, Germany has 21,164 turbines and remains one of the world's leading producers of wind energy. The strongest growing market is China, which

had turbines installed last year capable of producing 12,000 megawatts - nearly doubling the nation's previous capacity - the group said. The United States had an increase of 9,000 megawatts, BWE said. Germany faces two problems in trying to increase its wind energy capacity - a lack of capacity on the grid and a lack of wind. Last year, windy weather dropped 16%, the association said. • *Forbes.com*

AEG Power Solutions ready to build new Renewable Energy solutions in the U.S.

AEG Power Solutions, a global leader in end-to-end power supply systems and solutions, announced its strategy for the North American market under its distinguished global brand. The company is introducing solar turnkey solutions and its power controllers systems as part of its energy efficiency solutions. For over 60 years, AEG PS has delivered proven solutions in power electronics and power controls. AEG Power Solutions is adapting its offering to enable the transformation the world is experiencing in the generation and usage of electricity. In North America, the group is investing in its strategy to focus on renewable energy solutions by establishing a design team, increasing its application engineering team and enhancing its service function. The company will implement and maintain complete turn-key solar systems for commercial properties and industrial buildings. In addition

to expanding its offerings, AEG Power Solutions will expand its corporate operations in North America. The company is currently hiring for positions in its regional offices in Dallas, Texas and Markham, Ontario. AEG Power Solutions is a power supply provider offering one of the world's most comprehensive portfolios of premium power supply systems and solutions. The company has its main competence and manufacturing center in Warstein, Germany and is headquartered in Amsterdam, Netherlands. AEG Power Solutions' regional office in Dallas, Texas, established in 2001, specializes in sales, engineering and service for North America.

• *Press release*

ThyssenKrupp Alabama plant investment grows to \$5 billion

ThyssenKrupp has announced its spending another \$350 million on the carbon steel side of its complex in Calvert, which brings the total cost of its investment to \$5 billion. Ekkehard Schulz, chairman of ThyssenKrupp's executive board, told shareholders that the company's board had approved spending \$3.6 billion for the carbon steel section, up from \$3.25 billion. Schulz spoke at the firm's annual meeting in Bochum, Germany, and said the main reasons for the price hike include higher costs for infrastructure, fire protection systems and cooling equipment. He also announced that the price for the Brazilian mill that will feed raw steel slabs to carbon steel opera-

tions in Calvert and Germany would increase to \$7.3 billion, up from \$6.1 billion. • *Manufacturing.net*

RWE builds U.S. biomass unit to fuel European plant

Germany's RWE, Europe's 5th largest utility and top carbon emitter, is planning to cut its emissions in the EU by building a biomass facility in the U.S. to produce wood pellets for burning in a Dutch power plant. The German power company will build a plant in Georgia for 120 million euros (\$170 million) that will produce 750,000 tonnes of the wood pellets a year, RWE management board member Leonhard Birnbaum said. Coal-centred RWE, based in Essen in northern Germany, is Europe's largest polluter and is seeking to cut carbon dioxide emissions, which contribute to global warming, as the 27 states of the European Union make emitting the gas more and more expensive. The facility in Georgia is one of the first to make wooden pellets in the U.S. for shipping to Europe. There is another facility in the south of the country and several smaller ones in Canada. • *Reuters*

Medpace acquires Medical Consulting Dr. Schlichtiger GmbH

Medpace, the Norwood-based clinical research organization, announced it has acquired Medical Consulting Dr. Schlichtiger GmbH, a European drug research company. Financial terms were not disclosed. Medical Consulting has extensive drug development expertise providing customized

regulatory and pharmacovigilance services to pharmaceutical, biotechnology and nutritional companies of all sizes and is based in Munich, Germany. Medpace ranked 49th on the 2009 Deloitte Cincinnati USA 100 list of the largest privately held companies based in Greater Cincinnati and Northern Kentucky, with 2008 revenues of \$143 million. Medical Consulting will add strategic expertise to Medpace in terms of providing centralized European hubs for regulatory submissions and approvals as well as drug safety management and reporting, said Medpace CEO Dr. August Troendle in a statement. • *Press release*

Centrosolar Group AG plans Gresham plant

German solar module manufacturer Centrosolar Group AG has plans to open its first U.S. manufacturing plant in Gresham, using \$4.7 million in newly-acquired federal tax credits. Last fall, the company received a \$6.2 million loan from the state Department of Energy for a 100-megawatt solar plant. A state official said the company later put the project on hold. The company is among the recipients of \$2.3 billion in federal tax credits announced by President Barack Obama designated for companies manufacturing clean energy technology. According to a White House list of recipients, Centrosolar Oregon LLC "plans to build a manufacturing plant for PV solar modules based on crystalline silicon cells." Munich-based Centrosolar Group AG

generated more than \$479 million in revenue and employed 809 full-time workers at the end of 2008, the most recent data available. It operates a U.S. subsidiary, Centrosolar America, based in Scottsdale, Ariz., that has been importing solar modules made at the company's plant in Germany. • *Portland Business Journal*

Wilh. Schulz GmbH to build \$300M pipe plant in Mississippi

Wilh. Schulz GmbH will build a \$300 million plant in northwestern Mississippi to manufacture stainless steel pipes for the oil and gas industry, Gov. Haley Barbour and a company executive announced. The plant in Tunica County – about 20 miles south of Memphis, Tenn. – will be the first in North America by Wilh. Schulz GMBH, which is headquartered in Krefeld, Germany. The company will make an initial investment of \$80 million to create 200 jobs, then expand to a \$300 million investment with 500 jobs within five years, Barbour said. Barbour is asking Mississippi lawmakers to approve \$15 million in bonds for the project. Rainer Floeth, managing director and chief financial officer of Schulz, said construction should begin in the next few months and the plant could be open by early 2011. The company's Mississippi division will be called Schulz Xtruded Products, or SXP. • *Press Release*

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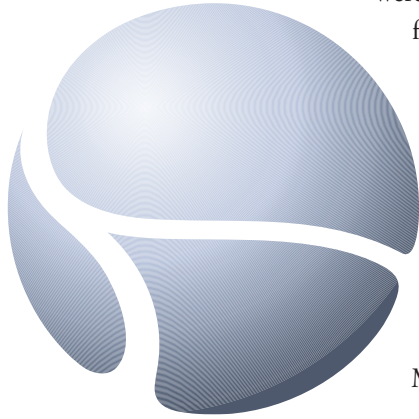


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The USA has traditionally always been one of the foremost commerce and business partners of the FrankfurtRhineMain region. The first American Consulate General opened in Frankfurt am Main in 1829, and has since been promoting German-American relations. To date, it is the largest US Consulate in the world. The American Chamber of Commerce has been operating from its headquarters in the city since 1957. The headquarters of the American military administration in Germany

were also located in Frankfurt following the end of World War II.

Since 1945, American investments have played a substantial role in driving the economic upswing in the FrankfurtRhineMain region.



The American business community in FrankfurtRhineMain

FrankfurtRhineMain ranks first in Germany as “the” business center for American companies. Some 10,000 US citizens live and work in the region. More than 1,000 American companies of all sizes operate branch offices in the region. FrankfurtRhineMain is home to the German headquarters for 14 of the top 50 revenue-generating companies in the US, and the number of American firms in the region is growing steadily. There are numerous reasons why American companies decide to settle in the region. The Frankfurt airport is the “gateway to Europe”. Partially because of this, FrankfurtRhineMain appeals very highly to cosmopolitan Americans as an internationally connected region. Additionally, there is money to be made in FrankfurtRhineMain.

FrankfurtRhineMain

Become a part of it.





*Left: Messe Frankfurt (trade fair) plus MesseTurm
Above: Internationality à la FrankfurtRhineMain*

The region boasts one of the strongest economies in Europe and enjoys the reputation of being a business center that welcomes new ideas and companies.

Convincing reasons why American companies opt for the region

US companies' interest in FrankfurtRhineMain has not abated, in spite of the current economic difficulties. According to Linhard Stepf, President of FrankfurtRhineMain Corp. "The FrankfurtRhineMain region is still the first choice as a German business location for American companies. Every time we talk to American com-

panies it is always very clear that the region is superbly positioned and offers companies excellent conditions for successfully conducting business." American companies have been successful in FrankfurtRhineMain for many years now. In addition to the region's excellent infrastructure, the fact that corporate taxes are lower nowadays in Germany than they are in the USA also plays a role. "The fact that Americans can manage their everyday lives in English without any problems in FrankfurtRhineMain is another important reason for choosing this location," according to Linhard Stepf.

A safe bet in terms of finance and insurance

The global reputation of FrankfurtRhineMain is grounded, above all, on the financial sector. Frankfurt is an important center of finance and services in Europe. The city is home to the European Central Bank, Deutsche Bundesbank and the German Stock Exchange. It is therefore not surprising that all of the well-known American banks also operate branch offices in Frankfurt, including Bank of America, Citibank, Morgan Stanley, and Goldman Sachs. They have been joined in recent years by numerous US financial institutions, financial

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service providers and companies working for the financial sector – not least because of the excellent IT infrastructure that the FrankfurtRhineMain region offers.

First choice for IT and telecommunications

Germany ranks as the world's third largest IT and telecommunications market behind the USA and Japan. And the FrankfurtRhineMain region is the primary center of telecommunications and the internet in Germany. The region is home to 10,300 IT companies who together generate annual revenues of approximately 43 billion US Dollars. The fiber optic network in Frankfurt spans 435 miles. The city is also home to 10 data centers occupying total space in excess of 1 million square foot. Frankfurt is unique around the world in that the city boasts eleven independent fiber optic network operators. The DE-Cix – Germany's primary internet node which processes 90 percent of all German and 35 percent of all European internet traffic – is also located in Frankfurt. Proximity to the DE-Cix assures that services involving high data volumes enjoy secure data transfers.

The cutting edge in new media and video gaming

Germany ranks fourth behind the USA, Japan, and Great



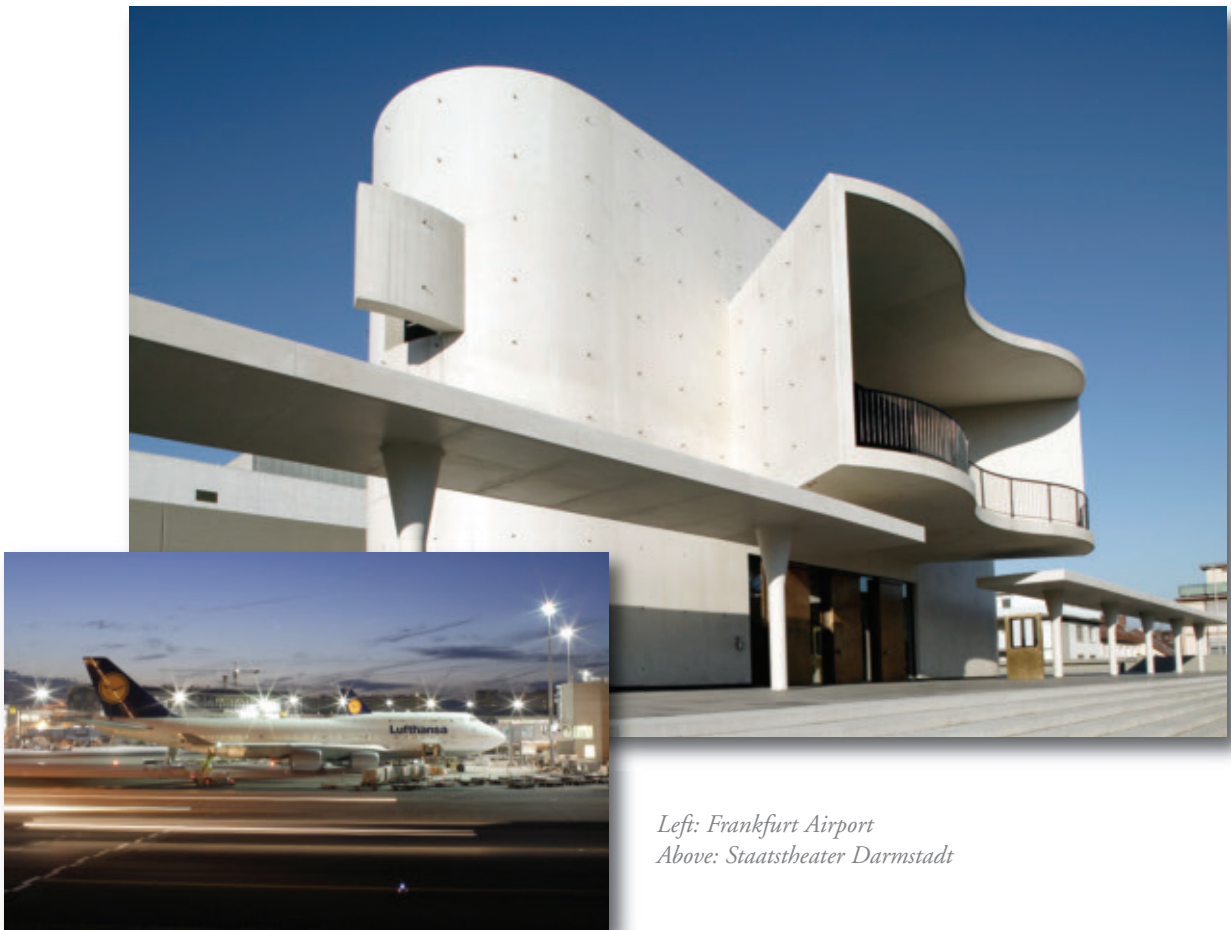
FRM Office Opening in Chicago

Britain in terms of the largest market for computer games. More than 40 companies that develop computer games are based in FrankfurtRhineMain – together with ten publishing companies from the same sector. Global players, such as Nintendo, Atari, Sony Computer Entertainment, Konami and Vivendi Games operate their European headquarters or branch offices in the region. Some of the most successful games have been developed in FrankfurtRhineMain – such as “ANNO 1601“, which has become the most successful computer game of all times in all German-speaking countries. Crytek also develops its CryENGINE 3® game technology in Frankfurt.

FrankfurtRhineMain meets Chicago

Since the USA is a very important area of strategic focus for the international activities in the FrankfurtRhineMain region, a FrankfurtRhineMain Office was opened in Chicago in April 2009. For the first time, the region is

Let us personally
guide you through our
region on YouTube under
“FrankfurtRhineMain”



*Left: Frankfurt Airport
Above: Staatstheater Darmstadt*



www.frm-united.com

now represented with its own office on the American continent. The FrankfurtRhineMain Office is located in the same building as the German Chamber of Commerce of the Midwest. Linhard Stepf, President of FrankfurtRhineMain Corp., advises American companies on their options for investing and settling in the center of business that is the FrankfurtRhineMain region. "The services we offer are tailored to providing specific and customized support to American entrepreneurs who are taking their first step towards FrankfurtRhineMain. We offer all the services they need from a single source, from establishing their company, to choosing the right office location, right up to opening bank accounts, and

identifying the perfect school for their children – competent advice that is all free of charge," explains Linhard Stepf.

American support networks in FrankfurtRhineMain

FrankfurtRhineMain offers numerous support networks that have established themselves as important points of contact for American companies, their staff, and families. These include the American Chamber of Commerce in Germany e. V. (AmCham). With a membership of more than 3,000, AmCham is the largest bilateral business organization in Europe. Together, its corporate members account for investments of approximately 160 billion US Dollars and 800,000 direct jobs. The chamber

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Frankfurter Römer (city hall)

sees itself as the link for communicating with investors in the United States. Its activities focus primarily on promoting German-American economic relations and Germany as a center of business.

The American German Business Club e.V. (AGBC) is an internationally operating private non-profit organization that was founded by American companies in 1964. The club now operates ten chapters in Germany and one in the USA. The membership of the AGBC includes more than 700 companies, from the widest range of sectors, including telecommunications, media, finance, law, and insurance.

The American Women's Club of the Taunus has been operating since 1971. This registered non-profit and non-political organization has more than 500 members from all age groups and from more than 30 countries. The club is the meeting point for women to exchange experiences or participate in activities together. The club is an

especially useful point of contact for foreign women who are new to the area, as it offers useful tips for mastering all of the challenges that come with living abroad.

About us

FrankfurtRheinMain GmbH International Marketing of the Region is the location marketing company of the FrankfurtRhine-Main region. The objective of the company is to inform foreign companies about the region's advantages, to promote the international competitiveness and to strengthen awareness of the region among decision makers abroad. FrankfurtRhineMain GmbH International Marketing of the Region provides potential investors with extensive information on locations and detailed industry-specific data, coordinates location selection processes in cooperation with local partners and helps companies successfully establish their presence in the region.

WHAT CAN WE DO FOR YOU?

- We support you in your search for suitable office space or a corporate site that is tailored to your precise needs
- We offer comprehensive advice on setting up a company
- We can put you in touch with your preferred location (district, town, city)
- We provide general information about tax and labor law
- We put you in touch with interesting business and social networks
- We make sure your employees feel at home from the day they arrive in the region
- We support you all the time – for as long as you are here

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Interview with Linhard Stepf

President, FrankfurtRhineMain Corp.

GAT: FRM just recently opened an office in Chicago to be closer to the US market – why Chicago?

STEPF: For us, Chicago was a natural choice. Firstly, as most of our potential customers are located on the West and East Coast of the United States, we needed a central, efficient airport hub. Chicago clearly fit the bill. Secondly, the network we already had established in Chicago over the last couple of years was very strong and we were able to build on that. From the City of Chicago to the German American Chamber of Commerce to Chicago law firms active in Frankfurt, we had a network in place which helped us getting started. And thirdly, for an outfit like ours Chicago is a cost-efficient place to do business, especially compared to other major U.S. cities on the East or West Coast often chosen by German companies.

GAT: FRM is attractive for global players especially in finance, insurance, IT, and telecommunications. What other industries view FRM as an attractive location for their German HQ? Has the focus of industries been changing?

STEPF: Frankfurt with the European Central Bank, Deutsche Boerse (German Stock Exchange) and over 170 international banks is

known for being the financial capital of Continental Europe, no question. But FrankfurtRhineMain is so much more: We are the #1 IT & Telecommunications location in Germany. We have been called “the pharmacy of Europe” for over 100 years with a vibrant pharmaceutical and biotech cluster. We are the only of two locations in Europe which offer the full range of services in this industry – from biotech incubator to production facilities for pharmaceutical blockbuster drugs. The logistics industry is another industry where we see increased international activities due to the unique advantages of our central location in Europe and the Frankfurt airport which is the largest air cargo hub in Europe. For example, Iron Mountain, the worldwide leader in information management services broke ground in Butzbach (just north of Frankfurt) at the end of 2009 to add the 15th and most innovative high-security records management center to their existing center network. The 75,000 square foot large facility will offer space for 1.4 million document boxes. Besides the industries mentioned, due to our multi-lingual, highly educated workforce we are always topping the list for any U.S. company interested in setting up European headquarters functions, a sales and distributions office or R&D facilities.

GAT: How do you help US companies enter the German market?

STEPF: We consider ourselves the premier one-stop agency for

every U.S. company interested in expanding their operations into the German and European market. We offer comprehensive support from the first fact finding activities to the opening of the office in our region to intensive aftercare once the company is up and running. We assist our clients in finding the right office space, establishing a German entity, applying for work and residence permits, finding the right legal and tax support, supporting accompanying family members with their needs, and making sure that the whole undertaking of establishing a new foreign subsidiary is accomplished as fast and smoothly as possible.

GAT: How is FRM positioning itself to continuously stay competitive in the global market?

STEPF: Since the inception of our company five years ago, we continuously grew our presence in our key markets in order to stay competitive. Besides our office in Chicago, we have three offices in China (Shanghai, Beijing and Guangzhou) and representatives in India, Taiwan, and Japan. Being close to our customers is crucial in order to provide up-to-date information and support in a timely fashion. With our local experts around the world, we are able to provide these services and we make sure that in the future even more companies will set up their operations in our region! **GAT**

High-Speed Rail Needs

Siemens to Expand U.S. Manufacturing Facility

SIEMENS

In response to the federal government's recent investment in high-speed rail, Siemens Mobility, based in Sacramento, has taken steps to expand its U.S. manufacturing plant to meet future demand for the trains and rail infrastructure technologies required for the systems. Specific actions taken include the

purchase of land for plant expansion and adding power supply from renewable energy sources.

After months of speculation, Siemens and the rest of the nation recently learned which projects were receiving high speed rail stimulus money and how much. Company forecasts were correct, with California, the Midwest and Florida taking 80% of the share and ten other corridors making up the balance.

The goal of high speed rail stimulus funds is to prove the viability of such technology in the United States, to create jobs, and to attract private investors to help build out the system.

"We applaud the Obama Administration's commitment to building America's high-speed rail system.

Siemens is ready to not only bring its proven high-speed-train technology to the U.S. market, but also to build the systems right here in the United States," said Oliver

Hauck, President of Siemens Mobility in the United States.





Oliver Hauck, President, Mobility Division, Siemens Industry

Siemens makes a line of trains that run up to 220 mph, which are currently operating in Germany, China, Russia and Spain. These trains are a match for the systems proposed for California and Florida. Siemens also produces a line of trains that go between 110 and 125 mph, which would fit the requirements of other high-speed-rail corridors, including the Midwest.

In brief, here is how high speed rail stimulus funds were allocated:

California

- \$2.344 billion total, with \$2.25 billion for the Los Angeles-Anaheim line, including right of way acquisition, construction of track and signaling systems, station construction, completing environmental reviews and engineering documents
- Balance of allocated funds will go toward upgrades to existing rail lines and upgrades to train emission control equipment.

Midwest

- \$2.6 billion total
- \$1.1 billion for Chicago-St. Louis line, including overhaul of track, signal systems, stations, and Positive Train Control (PTC)
- \$810 million for Madison-Milwaukee station construction, PTC
- \$400 million for Cleveland-Columbus-Dayton-Cincinnati line
- \$12 million for Milwaukee-Chicago, including station construction, and signal and track improvements
- \$71 million for the Detroit-Chicago line, with crossovers and signal system improvements

Florida

- \$1.25 billion for Tampa-Orlando line, including 84 miles of track, building and enhancing stations, and purchasing equipment

- Proposed speed of 168 mph
- Targeted completion date 2014

Other

- Charlotte-Raleigh-Richmond-Washington, DC – \$620 million
- Eugene-Portland-Seattle-Vancouver, BC – \$598 million
- Northeast Region (Maine, Vermont, Connecticut, Massachusetts, New York, Pennsylvania, Rhode Island, Maryland, Virginia, New Jersey, and Washington, DC) – \$485 million, plus \$706 million in Amtrak grants

“We can also design and implement rail automation and electrification equipment to move high-speed-rail systems safely, efficiently and with as little impact on the environment as possible,” said Hauck.

To meet the future demand for high-speed-rail technology,

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Siemens recently completed the purchase of 20 acres of land adjacent to its existing 34-acre, light-rail vehicle manufacturing facility in Sacramento.

“This parcel will be the future manufacturing site for the high-speed trains for the United States. These trains will be built by Americans for the American market,” Hauck said.

It is still too early to know whether Siemens would open manufacturing operations elsewhere, contingent on what type of products are required in specific geographic regions.

The Siemens facility in Sacramento is the only permanent, light-rail vehicle manufacturing facility in the United States.

Siemens employs more than 700 people in this facility, which recently underwent a \$26 million expansion. The company is also expanding its solar energy system, doubling the capacity from one megawatt to two full megawatts, which will meet nearly all of the factory’s current power needs and a portion of those required for the manufacture of high-speed trains.

Siemens is the market leader for light-rail-vehicle production in North America with half the market share for those currently being built. Additionally, Siemens manufactured one third of the cars currently in use in 13 cities, including Denver, Charlotte, San Diego and Portland.

Siemens also announced in January that it would lead the consortium involved in the \$321 million upgrade of the Port Authority of New York and New Jersey’s Trans-Hudson’s PATH train system. Siemens will provide the rail automation technology, and similar technology would be used for various high speed rail projects.

Like proposed high speed rail corridors in the Midwest, the goal of the PATH project is to upgrade existing infrastructure to move people and goods more efficiently and safely.

PATH is undergoing an upgrade to a technology known as Communication-Based Train Control (CBTC). CBTC controls when trains start, stop and how fast they go and is considered safer than conventional signaling products.

Siemens remains poised to address the various components of high speed rail in each of the corridors.

About Siemens

A division of Siemens Industry, Inc. (SII), Siemens Mobility (MO) Division is North America's leading provider of transportation and

logistics solutions. Using its "Complete mobility" approach, the division focuses on networking various modes of transportation to maximize the most efficient transport of people and goods. "Complete mobility" includes operations control systems for railways, roadway traffic control systems, airport logistics solutions, postal automation, traction power supplies, rolling stock for mass transit, regional and mainline services, turnkey systems as well as forward-looking service concepts. The Mobility Division posted worldwide revenues of \$8.8 billion in fiscal year 2009.

Siemens AG (NYSE: SI) is a global powerhouse in electronics and electrical engineering, and operates in the industry, energy and healthcare sectors. For more than 160 years, Siemens has built a reputation for leading-edge innovation and the quality of its products, services and solutions. With 405,000 employees in 190 countries, Siemens reported worldwide revenue of \$104.3 billion in fiscal 2009. In the U.S. market, Siemens employs more than 60,000 people in all 50 states and reported \$21.3 billion in revenue for fiscal 2009. **EAT**

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Major Legislation & Policy Issues Languish

While Less well known Issues of Importance to the Global Business Community fly below the radar

While the headlines of the major daily newspapers and other news outlets continue to play up the partisan politics and the ensuing gridlock hindering the progress of certain major pieces of legislation, a relatively large number of less publicized issues have developed into fully-fledged policy, recently implemented legislation, and bills about to become law that may have a major impact on the way international business is transacted.

Applying for a Patent on Green Technology May Actually Lead to Greenbacks

For example, a key agency decision may make it possible for the developers and backers of up-and-coming innovative and environmentally-friendly technologies to actually capitalize on their inventiveness, rather than watch the wheels of progress come off their wagons while the agonizingly

slow wheels of the patent examining process turn ever so slowly. On December 7, 2009, the United States Patent and Trademark Office (USPTO) announced that the Green Technology Pilot Program would facilitate the flow of patents for certain inventions deemed to be those that would further the development of environmentally-friendly and energy saving technologies. Areas of technology that are covered by the pilot program include technological innovations directed to improvements in environmental quality, a broad swath of technologies geared towards energy conservation, inventions designed to promote or improve upon the development of renewable energy sources, and inventions which demonstrably will lead to a reduction in the emission of greenhouse gasses.

This news comes as a true sign of progress. Many inventions are filed by individual inventors or small businesses lacking the financial resources to enable them, or more

appropriately their business models, to survive the typically grueling patent examination marathon, which in many cases extend to a period of several years. Initially conceived as a gateway program for 3,000 qualifying patent applications, the pilot program could do more than lead to the expedited introduction of green technologies to the marketplace. It also might actually permit a larger percentage of applicants – assuming that their inventions are indeed worthy of a patent and not anticipated by prior art - to actually plan strategically for the rollout of a product line and persuade financial back-

“Those designated as having acted contrary to the interests of the United States will be punished with considerably more than a slap on the wrist.”

ers that their inventions would not be too late to the market to generate a return on investment. Hopefully, it will also spur on others with innovative ideas for green technologies to actually take the plunge towards receiving the benefit of a patent.

As of the time of this writing, applicants seeking to avail themselves of the benefits of the Green Technology Pilot Program must have filed a patent application, which has not yet been subject to a first office action, prior to December 8, 2009. Given the limited number of applications which presently fall under the scope of the program, and the large number of potential applications that may qualify for expedited processing under the pilot program, it is reasonable to assume that the program may be extended and expanded.

The official USPTO press release on the Green Technology Pilot Program is available at http://www.uspto.gov/news/pr/2009/09_33.jsp

Redefining the Meaning of Sanctions: The Iran Refined Petroleum Sanctions Act

True to his word, Senate Majority Leader Harry Reid only days before January drew to an icy close scheduled a last-minute voice vote on the Senate's Iran sanctions legislation. The truly unexpected action surprised many concerned observers in Washington who had been advocating for a more measured, or at least more carefully crafted, version of the bill. However, considering the overwhelming vote in favor of companion legislation in the House just prior to the close of the first session of the 111th Congress, the favorable outcome of the vote in the Senate was not at all unexpected.

S. 2799, the Comprehensive Iran Sanctions, Accountability, and Divestment Act, co-sponsored by Senators Christopher Dodd (Democrat – Connecticut) and Richard Shelby (Republican – Tennessee) attempts to tighten the screws on individuals and corporate interests engaged in

transactions with Iran, however tangential the connection may be. Both the Senate and House bills present the possibility those designated as having acted contrary to the interests of the United States will be punished with considerably more than a slap on the wrist. The potentially far-reaching impact of the nearly immediate freezing of assets foreseen by the legislation should certainly prove to be a potent enforcement tool. As to the scope of the legislation, it appears likely that the bill soon to reach the White House will impose a slate of new restrictions on companies that in virtually any way provide technical, financial, or other assistance, such as insurance underwriting assistance, to Iran in terms of enabling the country to develop its decrepit and vastly outdated petroleum refining infrastructure. Moreover, the delivery of refined petroleum products to the Islamic Republic of Iran, which depends on imports of gasoline and diesel fuel for a significant share of daily fuel needs, is expected to be expressly covered by the ultimate conference bill.

>>

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In addition to the foregoing, the Senate bill contains provisions geared towards facilitating the divestment of state and federal governments and the investments of private fund managers in companies in the energy sector engaged in business with Iran. In parallel with ongoing discussions at the level of the White House related to a wholesale overhaul of the U.S. export control regime, the Senate bill also provides for strengthened export controls to further clamp down on individuals and companies currently able to circumvent restrictions on the export of certain technologies to Iran. A last-minute amendment presented by Senator John McCain (Republican – Arizona) that would have imposed heavy sanctions on those associated in any way with human rights violations in Iran did not make the cut. However, Majority Leader Reid appears to have assuaged McCain by virtually assuring the senator that such a provision would be made a part of the conference bill to be sent to the White House.

For his part, the President has not openly criticized either the House or Senate versions of the legislation. Nonetheless, it is clear that the administration has reservations about the broad-brush applicability of both bills, and various business alliances report that the White House, while not will-

ing to veto any final bill, appears quite interested in a final piece of legislation that will afford the Commander in Chief a measure of discretion in meting out punishment. In other words, the administration favors a more measured bill. But given the speed with which the bill ultimately proceeded through the Senate's deliberative process, it appears that in only a few weeks, a conference bill with most, if not all of the bells and whistles currently contained in the House and Senate versions, will ultimately grace the desk in the Oval Office.

You Can't Get (That) There From Here, Or Maybe You Can

Export controls are one part of the reason the Europeans lagged behind in commercial computing technology as compared to the United States for many years. While things have evened up on the consumer side, exports of certain technologies remain subject to labyrinthine export control laws and their Byzantine procedures. Even innocent mistakes can be quite costly, with major and/or repeat transgressions leading to the violators being listed in federal registries subjecting these parties to years and years of de-facto blacklisting. Fortunately, the current administration has followed upon the heels of the predecessor administration in terms of considering a review of

the present export control regime. This time around, the administration may actually not merely promise to consider how to streamline the export control system, but also actually implement any number of the recommendations it receives from agencies and departments, as well as industry.

Following the announcement by President Obama in August of last year that an overhaul of export control laws would be forthcoming, industry groups expressed a measured degree of elation. When by January not much more than additional assurances of support for reform had come from the White House, industry groups cautiously reported that while the administration truly seemed convinced of the need for reform, things would take time. Industry, meanwhile, is making significant progress in defining for the administration a variety of goals with regard to export control reform. Perhaps the top priority for industry and exporters is a review of the list of controlled export items.

But in terms of implementing such an overhaul, the task is daunting. For example, given the broad scope of the dual-use technology needs of the U.S. military, it seems nearly impossible to develop a quick list of what

should be culled from the restrictions overseen by various governmental entities. But given the new climate in Washington, and the administration's recent emphasis on doubling the volume of U.S. exports in the near term, it seems quite possible that the cooperation between the departments of State and Commerce, as well as the House Armed Services Committee, may lead to progress where stagnation had been the norm.

Regrettably, in spite of a recent spate of high-level government meetings and briefings, there is to date simply very little in the way of concrete proposals for reform to report. As alluded to earlier in this section, various industries have their own clear wish lists as to export control reform, but even if the administration picks up on one or more of these proposals, it remains to be seen if official Washington will ultimately go along with such recommendations in a timely manner. **EAT**



RGIT

The Representative of German Industry and Trade (RGIT) is the liaison office of the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK) in Washington.

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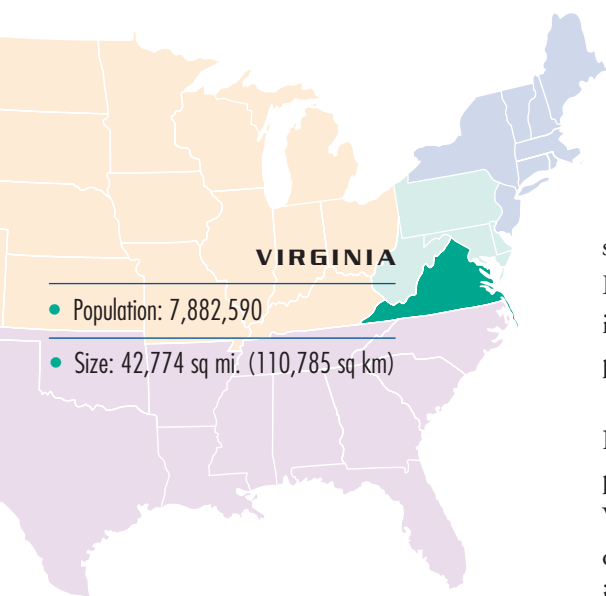
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Yes Virginia!

Why German Companies Love Virginia

by Nicola Michels,
GACC New York



Virginia attracts German investment - the largest European economy is Virginia's biggest investor with 71% of the Commonwealth's total \$17.7 billion FDI. 130 German subsidiaries are located in the Old Dominion State creating over 15,000 jobs. Historically, Germany has always been one of the largest investors in VA. Here are some stats: Since 2003, Germany has claimed either the 1st, 2nd, or 3rd place spot in terms of investment in VA. Especially many large manufacturing facilities are owned by German parents.

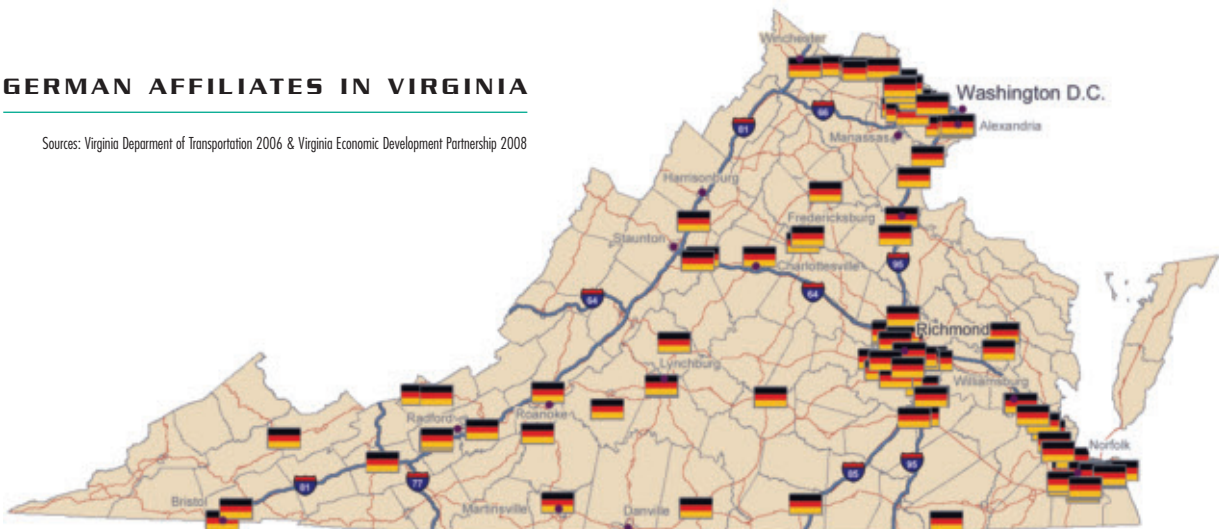
Perhaps German companies simply know what's good: In 2009 Virginia again ranked number one with the best business climate in the country for the fourth straight year (Forbes). In comparison to the rest of the country,

Virginia's economy is in a healthy state. Its 6.5% unemployment rate is fifth lowest in the country. Virginia is the only state ranked in the top 20 in each of the six broad categories. The state finished in the top three in half of those categories (labor supply, regulatory environment and quality of life). Virginia's \$325 billion economy is expected to be the 10th largest in the U.S. in 2009.

The state benefits from a highly educated workforce that is expected to expand over the next five years. Energy costs are 30% below the national average. The state's tort environment ranks fifth best in the country, according to California think tank Pacific Research Institute. The state government's finances are in good shape – it's held on to a top AAA rating from Moody's since 1971.

GERMAN AFFILIATES IN VIRGINIA

Sources: Virginia Department of Transportation 2006 & Virginia Economic Development Partnership 2008



NAME OF FIRM	CITY	WEBSITE	PARENT COMPANY
ADC, The Map People	Alexandria	www.adcmap.com	Langenscheidt KG
Adva Optical Networking North America, Inc.	McLean	www.movaz.com	ADVA AG Optical Networking
Ain Plastics	Virginia Beach	www.airplastics.com	Thyssen Krupp Materials NA Inc.
American Commercial, Inc.	Abingdon & Bristol	www.americancommercial.com	DYWIDAG-Systems International
American Hofmann Corp.	Lynchburg	www.americanhofmann.com	American Hofmann Corporation
American Rheinmetall Munition Inc.	Stafford	www.americanrheinmetall.com	Rheinmetall Defence
AMK Drives And Controls, Inc. USA	Richmond	www.amkdrives.com	Arnold Mueller Kirchheim GmbH
ASB Greenworld Inc.	Mattaponi	www.asbgreenworld.com	ASB Gruenland Helmut Aurenz GmbH and Co.
Audi Of America, Inc.	Herndon	www.audiusa.com	Audi
Bauer Compressors, Inc.	Norfolk	www.bauercomp.com	Bauer Kompressoren GmbH
BAX Global	Sandston	www.baxglobal.com	Deutsche Bahn AG
Belfor USA	Chesapeake		Belfor Holdings Inc.
Berliner Glas US	Williamsburg	www.berlinerglas.com	Berliner Glas KG Herbert Kubatz GmbH & Co.
Berryville Graphics, Inc.	Berryville	www.bvgraphics.com	Bertelsmann AG
Beta Systems Of North America	Herndon	ww2.betasystems.com	Beta Systems Software AG
BHK Of America, Inc.	South Boston	www.bhkofamerica.com	BHK - Holz-und Kunststoff KG
Block USA L.P.	Chesapeake	www.blockusa.com	Block Transformatoren-Elektronik GmbH
Boehringer Ingelheim Chemicals	Petersburg	www.boehringer-ingelheim.com	Boehringer Ingelheim GmbH
Borgwaldt-KC Inc.	Richmond	www.borgwaldt-kc.com	Heinr. Borgwaldt GmbH
Busch Manufacturing Company	Virginia Beach	www.buschpump.com	Dr. Ing. K. Busch GmbH
Business Objects	McLean	www.businessobjects.com	SAP AG
Carl Zeiss Optical, Inc./Carl Zeiss Vision, Inc.	Chester	www.zeiss.com	Carl Zeiss AG
Ceotronics	Chesapeake	www.ceotronicsusa.com	Ceotronics AG
CFW Information Services Inc.	Waynesboro	www.ntelos.com	Telegate AG
Ciba Specialty Chemicals Water Treatments, Inc.	Suffolk	www.cibasc.com	BASF SE
Clariant International, Ltd.	Winchester	www.clariant.masterbatches.com	Clariant International
Cognitec Systems Corporation	Herndon	www.cognitec-systems.de	Cognitec Systems GmbH
Continental AG	Newport News	www.usa.vdo.com	Continental AG
Continental Teves Inc.	Culpeper	www.conti-online.com	Continental AG
Coperion Corporation, Inc.	Wytheville	www.coperion.com	Coperion Corporation/Coperion Holding
DB Schenker International Inc.	Virginia Beach	www.dbschenkerusa.com	Duetsche Bahn AG
Degesch America, Inc.	Richmond & Weyers Cave	www.degeschamerica.com	Detia Degesch GmbH
Delphin Technology Corp.	Glen Allen	www.delphintech.com	Delphin Technology AG
Detecon, Inc.	Reston	www.deteconusa.com	Detecon GmbH
Deutsche Post Global Mail, Ltd.	Chantilly	www.dhl-globalmail.com	Deutsche Post AG
DHL Global Forwarding	Richmond	www.dhl.com	Deutsche Post AG
Dichtomatik Americas	Round Hill	www.dichtomatik.com	Dichtomatik GmbH
Eltromat Electronics, Inc.	Chesapeake	www.eltro.com	Eltromat Electronics GmbH
Emblem USA	McLean	www.emblem-usa.com	Dataplot GmbH
EPT Automotive	Chester	www.eptusa.com	ept GMBH & Co. KG
ESI International	Arlington	www.esi-intl.com	IIR
Evonik Goldschmidt Corporation	Hopewell	www.evonik.com	Evonik Industries
Frenzelit North America, Inc.	Purcellville	www.frenzelit.net	Frenzelit Werke GmbH & Co. KG
Fresenius USA, Inc.	Lorton	www.fmcna.com	Presenius Medical Care AG&CO.
G & D America, Inc.	Dulles	www.gdai.com	Giesecke & Devrient GmbH
G-U Hardware, Inc.	Newport News	www.g-u.com	Gretsch-Unitas Group
Hanson Pipe And Precast	Ashland, Chesapeake, Richmond & Roanoke	www.hansonpipeandproducts.com	HeidelbergCement Group
Hanson Pipe And Precast - Petersburg Block	Prince George	www.hansonpipeandprecast.com	HeidelbergCement Group
Hapag Lloyd America, Inc.	Virginia Beach	www.hapag-lloyd.com	Hapag Lloyd AG
Hauni Richmond, Inc.	Richmond	www.haunirichmond.com	Koerber AG
Heckler & Koch, Inc.	Ashburn	www.hecklerkoch-usa.com	Suhler Jagd-und Sporttaffen Holding GmbH
Heintzmann Corporation	Cedar Bluff	www.heintzmann.com	Bochumer Eisenhütte Heintzmann GmbH
Hermes Abrasives, Ltd.	Virginia Beach	www.hermesabrasives.com	Hermes Schleifmittel GmbH & Co. KG
Hermle Black Forest Clocks	Amherst	www.hermleclock.com	Franz Hermle & Sohn
HHH, A Division. Of Hohner, Inc.	Glen Allen	www.hohnerusa.com	Matth. Hohner AG
HQ Kites And Design USA	Chesapeake	www.hq-kites-usa.com	Invento GmbH
IDT Biologika Corporation	Herndon	www.idt-biologika.com	IDT Biologika GmbH



**Stefan Jacoby, President and CEO,
Volkswagen Group of America**

Why Virginia?

VOLKSWAGEN

GROUP OF AMERICA

"We felt it was important for Volkswagen to be closer to our customers in order to increase competitiveness and achieve a sharper focus on key markets. In researching a new location, it became apparent that Northern Virginia and the Greater Washington, DC area had the skilled and diverse workforce we were seeking. Additionally, Virginia had the right business environment, market access and infrastructure. Herndon specifically offered proximity to Dulles International Airport, a large factor for a global company such as Volkswagen."



**Sean O'Keefe,
CEO of EADS North America**



"We chose to base our North American operations in Virginia in order to be close to our customers at the Pentagon. The U.S. is the world's largest purchaser of defense products. In order to be part of that supply chain, most of the world's largest defense companies naturally want to have a presence here. With its many institutions of higher education, Virginia also offers a readily available skilled workforce. Many of our employees also have military leadership backgrounds. People want to stay here after they graduate or retire from active duty because it's such an accessible area: an urban center that offers many choices for living and leisure activities, combined with excellent public transportation and education."



**Peter Mueller, EVP Operations
STIHL, INC.**



"The decision to put STIHL Inc., in the Tidewater area of Virginia was because of the very able labor market consisting of military veterans. There was also access to a deep-water port and many trucking options to serve the world's largest chain saw market. 36 years later, our 2,000 employees are building the world's most reliable outdoor hand-held power equipment and shipping to more than 90 foreign countries from Virginia Beach."

VIRGINIA FACTS

- **Location:** Located midway between New York and Florida, Virginia is the gateway to the South. It is also sometimes classified in the Mid-Atlantic region. The Commonwealth is bordered by Washington, D.C., the nation's capital, and Maryland to the north; the Atlantic Ocean to the east; North Carolina and Tennessee to the south; and West Virginia and Kentucky to the west.
- **Geography:** Western Virginia is mountainous, covered by the Allegheny and Blue Ridge mountains with the great Shenandoah Valley falling between the ranges. The central piedmont region, with its rolling hills, flattens out into the sandy coastal plain toward the Atlantic Ocean.
- **Climate:** Mild with four distinct seasons
- **Major Industries:** Manufacturing, exports, tourism, which accounted for \$13.1 billion in 2000 - up from \$12.4 billion in 1999 - and employed more than 200,000 workers, high technology and agriculture
- **Capital:** Richmond (since 1780)

NAME OF FIRM	CITY	WEBSITE	PARENT COMPANY
Ifco Systems North America Inc.	Richmond	www.ifco-us.com	IFCO Sysems N.V.
IMS Gear Inc.	Virginia Beach	www.imsgear-usa.net	IMS Gear GmbH
Independent Container Line Limited	Richmond	www.icl-ltd.com	ICL Group
Innovations In Transportation, Inc.	Chesapeake	www.initusa.com	INIT (Innovation in Traffic Systems) AG
Kaeser Compressors, Inc.	Fredericksburg	www.kaesercompressors.com	Kaeser Kompressoren GmbH
Kettler International, Inc.	Virginia Beach	www.kettlerusa.com	Heinz Kettler GmbH & Co. KG
KSB, Inc.	Richmond	www.ksbusa.com	Klein, Schanzlin & Becker AG
Lehigh Cement Company	Richmond	www.lehighcement.com	HeidelbergCement Group
Lehigh Portland Cement Company	Norfolk & Waynesboro	www.lehighcement.com	HeidelbergCement Group
Lenzkes Clamping Tools Inc.	Christiansburg	www.lenzkesusa.com	Lenzkes Spanntechnik GmbH
Leschaco Richmond Inc.	Richmond	www.leschaco.com	Lexzau, Scharbau GmbH & Co.
Liebherr America, Inc.	Newport News	www.liebherr.us	Liebherr Group
Linde Inc. - Chester	Chester & Hopewell	www.boc.com	Linde Group
Lohmann Specialty Coatings	Orange County	www.lohmanncorp.com	Lohmann GmbH & Co. KG
McAirlaid's Inc.	Rocky Mount	www.mcairlaid.com	McAirlaid's Vliesstoffe GmbH & Co. KG
Mehler Engineered Products	Martinsville	www.mehler-ag.de	Mehler AG
Mombaur International Consulting Solutions LLC	Toano	www.mombaur-testit.com	Mombaur GbR
Muhlbauer Inc.	Newport News	www.muhlbauer.com	Muhlbauer AG
M-U-T America, Inc.	Richmond	www.mut-group.com	m u t AG
Nanofocus USA	Glen Allen	www.nanofocus-ag.com	NanoFocus AG
NBB Controls, Inc.	Richmond	www.nbbcontrols.com	NBB Controls & Components AG
Ondal USA Inc.	Richmond	www.ondal.com	Ondal Industrietechnik GmbH
Orbis America, Inc.	Vienna	www.orbisusa.com	Orbis AG
Pari Innovative Manufacturers	Midlothian	www.pari.com	Paul Pitzau Pari Werke GmbH
Quappa Inc.	Leesburg	www.quappa.com	Algorithmic Solutions Software GmbH
Rehau Incorporated	Leesburg	www.rehau.com	Rehau GmbH
Rheingold USA	Richmond	www.rheingold-gmbh.com	RheinGold GmbH
Riverside Industries LP	Farmville		E. und P. Wurtz GmbH & Co. KG
Schenker International Inc.	Richmond	www.schenker.com	Duetsche Bahn AG
Schock Metal America Inc.	Chesapeake	www.schockmetal.com	Schock Metallwerk GmbH
Secucontrol Inc.	Alexandria	www.secucontrol.com	Secucontrol GmbH
Segus Inc.	Reston	www.segus.com	Software Engineering GmbH
Siemens Companies	Fairfax, Reston, Richmond & VA Beach	www.siemens.com	Siemens AG
Silex Media Americas	Centreville	www.silexmedia.com	Silex
Software Ag Inc., USA	Reston	www.softwareagusa.com	Software AG
Solo Incorporated	Newport News	www.solousa.com	Solo Kleinmotoren GmbH
Stihl Incorporated	Virginia Beach	www.stihlusa.com	Andreas Stihl Maschinenfabrik
Synerject LLC	Newport News	www.synerject.com	Continental AG; Orbital Engine Corporation
Teka North America, Inc.	Chesapeake	www.teka.de	Teka Maschinenbau GmbH
Tmd Friction, Inc.	Dublin	www.tmdfriction.com	TMD Friction Holding, GmbH
T-Mobile USA	Richmond	www.t-mobile.com	Deutsche Telekom
Triangle Brick Company, Inc.	Portsmouth	www.trianglebrick.com	Roeben Tonbaustoffe GmbH
U.S. Filter Process Water Group	Richmond	www.usfilter.com	Siemens AG
Universal Dynamics Inc.	Woodbridge	www.unadyn.com	Mann + Hummel GmbH
V & S Bristol Galvanizing	Bristol	www.hotdipgalvanizing.com	Voigt & Schweitzer
Vital Sensors, Inc.	Richmond	www.vital-sensors.com	Vital Sensors GmbH
Vitruan Corporation	Waynesboro	www.vitruan.com	Vitruan Textilglas GmbH
Vogel Lubrication, Inc.	Newport News	www.skf.com/portal/skf-vogl	SKF Group
Volkswagen Of America, Inc.	Herndon	www.volkswagengroupamerica.com	Volkswagen AG
Walter Grinders, Inc.	Fredericksburg	www.walter-ag.com	Walter AG
Wavelight Laser Incorporated	Sterling	www.wavelight-laser.com	Wavelight Technologies AG
Weidmuller USA	Richmond	www.weidmuller.com	Weidmuller Interface GmbH & Co.
Wiwa L.P.	Chesapeake	www.wiwa.com	Wilhelm Wagner GmbH & Co. KG
Wurth Revcar Fasteners	Richmond	www.revcars.com	Adolf Wurth GmbH & Co. KG
Wurth Revcar Fasteners	Roanoke	www.revcars.com	Adolf Wurth GmbH & Co. KG
Zeller + Gmelin Corporation	Richmond	www.zeller-gmelin.com	Zeller & Gmelin GmbH & Co. AG
Zestron America	Manassas	www.zestron.com	Zestron Europe

A Legacy of World-Wide Shipping Logistics

Peter Halpaus of Bremen passes the torch to son Christian Halpaus



PERSONAL BACKGROUND

I have always been connected to shipping. I grew up near the River Weser in Bremen, where, in the '50s, I witnessed the American Liberty Vessels that had been designed during World War II, as well as the vessels of then still independent shipping lines of Lloyd and HAPAG, today Hapag Lloyd, Germany's largest global carrier.

When I was a student, I worked during summer vacations at shipyards and learned more about how vessels are built. In 1968, I graduated as an international freight forwarder, or Speditionskaufmann. After that, I served as a Reserve Officer in logistics for the German Army, or Bundeswehr.

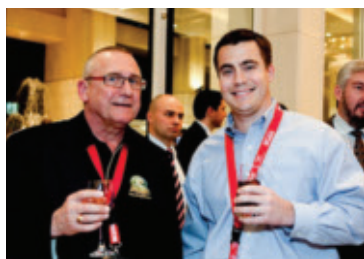
In 1970, I sailed around the world for six months on one of

the last conventional Hapag Lloyd vessels. I traveled through Europe, to the Mediterranean, Africa and even to the Far East, stopping in places such as Singapore, Korea, Japan and Taiwan before coming back to Europe through the Panama channel.

In the four years that followed, I worked in West Berlin, in warehousing and distribution. From 1974 to 1977 I attended and graduated from the Deutschen Aussenhandels- und Verkehrs-Akademie Bremen (DAV) with a degree in international business and logistics.

Why America

I came to the United States in 1977, working for a global service provider. At that time,



Peter and Christian Halpaus at the Global Network Conference in Bangkok, January 2010. Both strive to provide the absolute best quality of service in the industry.





Peter Halpaus, founder and CEO of International Freight Forwarders, Inc.

America was the most challenging country to start your career in. There were many aspects about the South that led to our decision to stay. My family liked the lifestyle in the US, the weather was much friendlier here in the south than in Bremen, and there were so many travel opportunities.

In 1983, I started International Freight Forwarders, Incorporated. Luckily, my business brings me to Germany four to five times a year so I do not miss having a permanent residence there.

Cultural Surprises

The most positive surprise I encountered upon moving here was the Southern hospitality. People here in the Southern US are very open and supportive. I was also pleasantly surprised to find that volunteerism is an important part of community life, privately and in business. In 1996 I volunteered at the Atlanta Olympics as the envoy for the German Olympic Team. I have also been involved with the German School of Atlanta since 1985 and serve presently as an

Honorary Board Member. My grandson Kai is keeping up the family tradition at the GSA.

I became a member of the German American Chamber of Commerce of the Southern US many years ago and have served on the Board since 1993.

Especially rewarding for me is to support The Goethe Center to get and stay financially independent.

Biggest Challenge

It was a true challenge to secure growth of the company while still providing German quality service standards. Now I am hoping for a smooth transition the operation of my business from one generation (me) to the next (my son). We began this transition three years ago and my son Christian now runs the day-to-day business of IFF, Inc. >>

FAST FACTS IFF, INC.

Names of Presidents:	Peter Halpaus, CEO & son Christian Halpaus, President
Hometown:	Bremen & Charlotte, NC
Ages of Presidents:	62, 32
Locations:	Atlanta, GA & Charlotte, NC
Year Founded in the U.S.:	1983, by Peter Halpaus
Business Activity:	International logistics: Imports, Exports, custom broker, warehouse & distribution, air freight, ocean freight, projects and consolidations.
Number of employees:	35
Revenue:	25 million



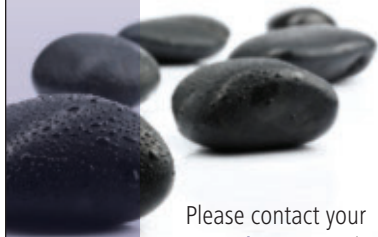
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anneliesemessing@yahoo.com



Greatest Inspiration

My philosophy is to engage in German culture and language to promote the interest and demand for quality German products and services. My greatest inspiration is to establish IFF, Inc. as the best service provided in the market by employing the most qualified and dedicated staff.

I started IFF, Inc. in 1983 with two people; now we employ 35. My grandfather owned his own saw mill business in what was then Schlesien, now Poland. Therefore, from a young age, my father engrained in me the importance of having your own business and it became one of my life goals. America was the right country in which I could pursue this goal. I was able to start the company with my own private savings, as well as the support of global business partners. My biggest obstacle was to secure growth of the company while still being able to improve the quality of service, find the best

qualified staff and advance with ever-changing IT applications. In 1998, IFF, Inc. was a founding member of the World Cargo Alliance (WCA), a global network with over 1,000 members and a total business volume exceeding any competition.

Future Goals

My ambition is to help people who are in adverse life situations, not only on a private basis but also through my business. I strive to be humble, while endeavoring to keep our valued customers in the very long term. I want to be an exemplary corporate citizen of the community. Most importantly, I support (and love) my son and want to achieve with him to grow IFF, Inc. to both of our expectations. With having the dual citizenship, I am proud to honor my heritage and to support the USA and local community to grow in international relations. **GAT**

Ten Key Issues When Expanding into the United States

If you have made the decision to expand your operations into the United States, having the knowledge required to start your business correctly is extremely important. This article provides an overview of ten key issues experienced American accounting and legal advisors can help you properly navigate to meet United States tax rules and regulations. Our objective is to help make the process of starting your business less complicated and help you make your business venture a success.

Entity Structure

The first decision when establishing in the United States is entity structure, which determines how the company will be taxed in the United States. The most common entity types used by businesses entering the U.S. are corporations and limited liability companies. If a business does not file the proper paperwork in the United States to

select the entity type, the default regulations will dictate the entity type for your business. Depending on the ownership structure, the default entity type could have costly tax implications and reporting requirements.

For example: A client came to our firm after the initial company set-up was completed. The client had not filed the proper paperwork to select their entity type, and therefore, the default regulations applied, and the company was taxed as a partnership with foreign partners.

Other issues to consider in this area include: capitalization of the business, special issues relat-

ed to joint ventures, repatriating profits, and treaty provisions between the United States and Germany.

U.S. Tax Identification Numbers

Paperwork needs to be filed with the Internal Revenue Service to obtain a Tax Identification Number. This needs to be done before operations begin so a United States bank account can be opened, tax returns can be filed, and payroll can be set up. The Internal Revenue Service website, www.irs.gov, may be useful for accessing the required paperwork online.

Hiring Employees

Hiring needs should be determined before expansion. While many companies start by sending key employees from the parent company, before long the need to hire U.S. employees arises. Once U.S. employees are being hired, it is important to understand these employees are generally accus-

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tomed to receiving employee benefits from their employer. You will want to make sure you factor these costs in to your budget.

Accounting Systems

The entity will need an accounting system to maintain books and records in the United States. The scope and nature of the business will help determine the sophistication of software required. If significant growth is expected in a relatively short period of time, it may be worthwhile to invest in a software package today that can grow with the company and will avoid

the cost of retraining staff on new software.

Employee Taxation

The United States taxes individuals based on residency status once a person is deemed a resident, they become subject to tax on their worldwide income in the same manner a U.S. citizen is taxed. If you will be sending employees from Germany to work in the United States for a period of time, you will want to ensure those employees are receiving the proper tax advice.

- U.S. payroll tax system - There

are several different payroll taxes in the U.S. tax system: Social Security and Medicare taxes are split between the employer and the employee. However, if your employment is temporary (less than five years), the employee may be able to opt out of the U.S. Social system.

- Taxation of resident aliens - Generally a business will send key employees to the U.S. to establish the new venture. There are personal tax planning issues for these employees due to the U.S. tax system. U.S. residents are taxed on their worldwide income; therefore, employees need to understand how transactions in their home country could impact their U.S. taxes. If the employee is bringing family to the United States, it is important to get the appropriate tax identification numbers for each member to maximize benefits on their U.S. income tax return.

Tax Incentives and Location

When deciding where to locate your U.S. entity, consider the tax incentives available. In addition to possible Federal tax incentives, there may also be state and local tax incentives available. Incentives may depend on the

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industry, new jobs added to the area, or a specific location within a state.

For example: The application for many state incentives should be submitted prior to expansion. A German owned client of ours was moving into a new facility. We identified certain state and local tax incentives the company during the planning stages of the project. In the first year, this saved the company over \$100,000. If the incentives were not identified before the project was started, they would not have been eligible for the credit.

U.S Reporting Requirements

The U.S requires certain foreign reporting requirements for foreign investment in a U.S. business. Failure to comply with these reporting requirements could yield significant penalties. The reporting requirements depend on the level of investment; however certain forms are due within 45 days after the initial investment. Additionally, there could be reporting requirements due with the Federal Income Tax Return.

Registration Requirements

Federal, state, and local registrations are required. State and local registrations are unique to each jurisdiction, so understand the

requirements applicable to your business location. Most states impose income tax, franchise tax, gross receipts tax, and a sales tax on certain goods and services.

Transfer Pricing

If the U.S. entity will be transacting with the parent company, it is important to understand the transfer pricing regulations in the U.S. and in Germany. The U.S. requires that inter-company transactions are priced using arm's length or fair market value pricing. Documentary evidence is required to support inter-company pricing. The U.S. taxing authorities may impose significant penalties if transfer pricing agreements are not arm's length. Common transactions requiring analysis include sales to/purchases from the parent company, management fees, technology fees, royalties, and commissions.

Professional Advice

Engage with accounting and legal advisors who are knowledgeable of the legalities of starting a company in the United States. Common legal advice needed may relate to entity formation, labor laws, IP protection, insurance requirements, and visa matters. **GAT**

CONTACT INFO

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For 25 years German companies have worked with Clayton & McKervery, P.C. to expand into Michigan. To discuss your situation, please contact **Rob Dutkiewicz**, Shareholder in Charge of Inbound International Services at **+1.248.208.8860**

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Value-Added International Services

J.H. Cohn has helped German companies & their American subsidiaries realize substantial cost savings

One of the largest independent accounting and consulting firms in the United States, J.H. Cohn has significant experience working with German companies and their American subsidiaries. The Firm's knowledge of the German/U.S. tax treaty, as well as the unique issues that international companies face, make J.H. Cohn a strong business resource on both sides of the Atlantic.

Since 1919, J.H. Cohn, with offices in Connecticut, New York, New Jersey, and California, has been offering solutions for complex business issues facing public and private, middle-market, and entrepreneurial companies, and not-for-profit organizations.

We provide the following value-added services to German companies:

- **Structuring U.S. investment:** Identify and recommend entity structure for U.S. investments (e.g., branch, U.S. corporation, LLC, or partnership) and guidance related to the taxation of income under current treaties and regulations.
- **M&A planning and due diligence:** Provide support for acquisition structuring, including tax-efficient financing, step-up planning, and foreign tax reduction planning; dispositions and joint ventures involving foreign ownership; and international tax due diligence (e.g., risks related to ECI, withholding taxes, and earnings stripping limitations).
- **Repatriation planning and key tax attributes:** Initiate strategies to repatriate earnings from the U.S. in a tax-efficient manner. This often involves the analysis of treaty issues in connection with minimizing U.S. withholding taxes as well as minimizing foreign tax liability that could arise.


www.jhcohn.com

- **Transfer pricing:** Assist both audit and non-audit clients in identifying transfer pricing risks, identifying strategies to minimize risk, and preparing regional documentation.
- **International tax compliance:** Prepare required forms for subsidiaries operating in the United States, including but not limited to, Form 1120F, Form 8833, and Form W-8BEN.
- **Tax controversy:** Assist with IRS examinations involving any outbound international tax issues.
- **Counsel on sourcing issues:** Includes procurement and distribution.

A Unique Way of Doing Business

One way that J.H. Cohn differentiates itself from other accounting and consulting firms is by providing personalized, partner-level attention to its clients well outside of its geographic borders. For example, J.H. Cohn frequently travels to Germany to meet personally with company board members to understand their objectives and key aspects of their particular business situation. This hands-on service helps guide

companies through the complexity of such tasks as determining entity status, evaluating and obtaining debt and capital financing, and performing a detailed investment analysis. And for those situations where additional local expertise is required, the Firm relies on Nexia International, the tenth largest provider of audit and advisory services worldwide, which has a presence in 34 German cities. We frequently work with key German firm Ebner Stolz, a Nexia member.

In addition to technical expertise, J.H. Cohn brings its proficiency in International Financial Reporting Standards (IFRS) and German GAAP to every transaction.

German Companies and their Subsidiaries Have Realized Significant Savings

The Firm assists many German subsidiaries with American acquisitions. One client, a German-owned subsidiary, was purchasing a U.S. company and required financing. J.H. Cohn advised them to borrow the funds from an American lender which resulted in a significant tax savings on their

U.S. tax return, a much higher amount than if they had obtained the funds abroad.

German client TÜV Rheinland is pleased with its association with J.H. Cohn. Mr. Stephan Schmitt, CEO and President, says, "J.H. Cohn and its partners have been extraordinarily helpful in the structure of our acquisition initiatives throughout North America. Their advice has helped advance our company toward the strategic goals we developed with our parent in Köln, Germany."

For more than 90 years, J. H. Cohn's philosophy toward each client has remained constant: a highly personalized approach, with intelligent guidance and solutions. The Firm is ready to put its international experience to work for your company today. **GAT**



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Building Bridges across the Atlantic

Bilateral transatlantic business development services



Fritz B. Hoering, CEO advise

Germans and Americans have been doing business for a very long time. In fact, Germany continues to be one of the largest trading partners of the US. However, sometimes business transactions get lost in translation, sometimes quite literally.

While large brands such as Siemens, Daimler or GM and Citibank are accustomed to conducting business in foreign markets, small to medium size firms - whose value proposition is equally important - may encounter some of the following issues:

- Due to a lack of resources they are not able to grasp a clear understanding of what the German or American market has to offer in terms of size, potential and acceptance.

- They are often in search of business developers who have an understanding of the traditions, values and cultural differences that can influence a business deal or a purchasing decision.
- Dos and Don'ts of a business deal in the respective country.
- They require process coaching to understand how decisions are made in Germany or the USA.

CEO advise out of Aichtal (near Stuttgart) Germany and Brenner Business Development out of Syracuse, NY both recognized a long time ago that they could apply their own personal experiences to help both German and American firms who were interested in doing business overseas. Fritz Höring is a native German businessman who has a long history of working with US companies including Andersen Consulting (Accenture) and AT&T. Since he started his business he has been very successful in helping companies of German speaking origin (Germany, Switzerland and Austria) gain entry into foreign markets including the USA.





Key services offered by *CEO advise*:

- Interim Management on C-level, General Management, Executive or Non-Executive Director for business development or growth & in turnaround/restructuring situations
- Preparation & market entry execution for Swiss & US corporations
- Reduction of complexity with listed industry multinationals; project management
- Consultancy in acquisitions of mid-sized companies & multinational divisions
- Representation of Swiss, Austrian & US firms in Central & Eastern Europe

Mark Lesselroth, principal of *Brenner Business Development (BBD)* was born in Saarbrücken, attended German school (Uni Würzburg und Bamberg) and worked for a time for Bayer AG and the German Postal Service. Today he calls Syracuse, NY home but has assisted many small to medium sized firms both in the US and Germany who are looking to gain entry into each others market. Speaking German and English fluently combined with having lived and worked in Germany has allowed Mr. Lesselroth to gain a better understanding of the German culture and mindset which he has put to use when working with his American clients.



Mark Lesselroth, BBD



Key services offered by *BBD*:

- Research and market segmentation analysis
- Prospect identification and lead development
- Establish "first" meetings with German or US management team
- Support "closing" deals
- Identification and canvassing of key industry trade shows
- Awareness building (PR, Web, Direct Mail, Sales Literature, Advertising)

The objective of this partnership is to have bi-lateral representation in place for both companies and their clients on both sides of the Atlantic.

>>



www.brennerbd.com
www.CEOadvise.com



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BBD and CEO advise GmbH will support and advise clients in business development and international expansion in Germany and the US.

With the alliance in place, both companies will extend their service offering to new and existing clients who are searching for entry into either the German or US marketplace respectively. "We are proud to provide easy access to our existing and prospective European customers who have an interest in the US market" said Fritz B. Hoering, Managing Partner of *CEO advise GmbH*. "Our

valuable and affordable services are now available through *BBD* in the US and *BBD's* services here in Germany. Even US federal states can take advantage of our service offering to help settle German firms in their territory."

"We had common interests prior to signing the agreement today in Frankfurt" added Mark Lesselroth, Principal of *BBD*. "Having a permanent presence in Germany will allow us to better manage our US client needs that are looking to expand into Europe."

If you find yourself asking the following questions maybe we can help:

- How do I enter the US /German market in a cost effective manner?
- How do I introduce my product into the USA or Germany without having to invest in overseas operations (i.e. infrastructure, sales force, and sales office)?
- Is there a market for my product in the USA or Germany?
- How do I introduce my product into the US or German market? **GAT**

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- The Who's Who of German-American business relations
- Lists over 3,500 HQs and branch offices of German firms in the United States, as well as their parent companies in Germany
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EVENT CALENDAR

March 2 - May 1, 2010

Mar. 2

Discussion & Luncheon with Steven Hill on "Models of Capitalism in the 21st Century: The U.S. vs. Europe"

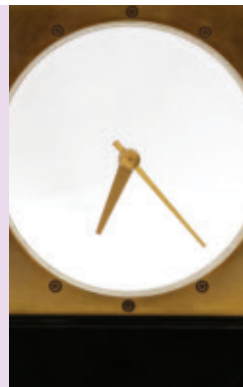
Held by GACC Philadelphia
Philadelphia, PA
www.gaccphiladelphia.com ▶



Mar. 3

After Hours - Social Mixer

Held by GACC South Texas Office
Houston, TX
www.gacctexas.com ▶



Mar. 3

Tax Business Seminar

Held by GACC South
Atlanta, GA
www.gaccsouth.com

Mar. 6

YEC EVENT
Chicago Bulls vs Dallas Mavericks

Held by GACCoM
Chicago, IL
www.gacc.com

Mar. 16

GACConnect – Business
Networking "Stammtisch"

Held by GACC San Francisco
San Francisco, CA
www.gaccsanfrancisco.com

Mar. 17

YEC Monthly Stammtisch
at The Berghoff

Held by GACCoM
Chicago, IL
www.gacc.com



Mar. 22-23

2nd German American
Energy Conference

Held by GACC USA & dena
Supported by the Federal Ministry
of Economics & Technology
Berlin, Germany
www.gae-conference.com ◀

Mar. 30

Business Luncheon
on Intercultural Communication

Held by GACC South Texas Office
Houston, TX
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Mar. 30

Breakfast w/... our CEO
& President, Kristian Wolf

Held by GACC South
Atlanta, GA
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Apr. 9

3rd Annual Winetasting Gala

GACCoM MN Chapter
Minneapolis, MN
www.gacc.com-mn.org ◀

Apr. 13

SAE Reception 2010

GACCoM MI Chapter
Detroit, MI
www.gaccmi.com

Apr. 14

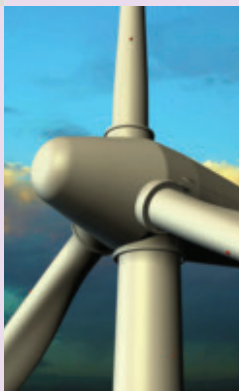
Expert Luncheon; Solar Energy

Held by CO Chapter
Denver, CO
www.gacc.co.org

Apr. 14

"Wind Boom in Texas":
2nd German American
Wind Energy Conference

Held by GACC South Texas Office
Austin, TX
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Apr. 19-23

Green Building Innovation
Delegation and Conference

Held by GACCoM
Chicago, IL
www.gacc.com ▶



Apr. 21

YEC Monthly Stammtisch
at The Berghoff

Held by GACCoM
Chicago, IL
www.gacc.com

Apr. 26

3rd Energy Efficiency Symposium

Held by GACC San Francisco
Los Angeles, CA
www.gaccsanfrancisco.com ▶



Apr. 27

After Hours - Business Networking

Held by GACC South Texas Office
Houston, TX
www.gacctexas.com ▶



Apr. 29 - May 1

Annual General Meeting

Held by GACC South
Savannah, GA
www.gaccsouth.com ▶





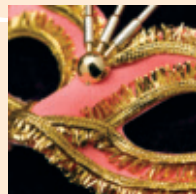
ANNUAL ECONOMIC FORUM 2010

1/28: The GACCs, in conjunction with the Representative of German Industry and Trade presented their 5th Annual Economic Forum in Rosemont, IL. A top-notch panel of German and American economists and industry experts offered an in-depth analysis of the state of the global economy in 2010. 200 attendees followed the panel discussion once again moderated by Handelsblatt's Michael Backfisch. One highlight of the event was the keynote speech delivered by the Chairman of the German Association of Chambers of Industry and Commerce (DIHK) and General and Managing Partner at Peter Koelln KGaA, Prof. Dr. Hans Heinrich Driftmann. For the second time, the event was successfully broadcasted online: 100 viewers tuned in for the webcast that was also prominently featured on www.handelsblatt.com.

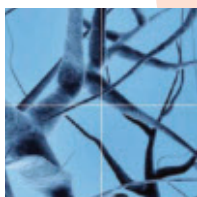
2/19 2010 Scholarship Award Dinner



2/20 TCGIS Maskenball



San Jose, CA



2/25 US-German Conference on the Commercialization of Nanotechnologies

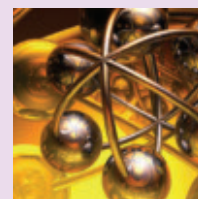
Denver, CO



2/9 CO Chapter: EuroNetworking Reception

GACC Highlights

January/February 2010



2/23 US-German Conference on the Commercialization of Nanotechnologies

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We are only at the Beginning of a new Innovation Cycle

GAT: What is the state of affairs in the telecommunications industry?

STATZ: The telecommunications industry in the United States and around the world is going through a significant transformation process. New broadband technologies for wireless and wire-line networks offer a broad range of new benefits for consumers. In the wireless industry, more and more customers take advantage of smart-phones on 3G networks. For wireline networks, investments in DSL and fiber-optic networks enable new services like IPTV, which is a significant improvement over traditional TV services. In the business segment, broadband networks and cloud computing present new opportunities for companies to become more efficient and save money. I believe that the speed of innovation in our industry will continue in the coming years and change the way we live and work. This is an existential time to work in the telecommunications industry.

GAT: Which trends and challenges do you foresee in the near future in your industry?

STATZ: One of the most fascinating trends in our industry is the rapid growth of third-party applications for wireless smart-phones. Apple's AppStore offers over 140,000 different applica-

tions since its launch 18 months ago. The Android Market has well over 20,000 applications and it is growing rapidly. I am confident that this innovation trend will continue and change the way we will communicate in the coming years. We are only at the beginning of a new innovation cycle. Like most industries, the telecommunications industry is also affected by the recession. The challenging economic environment has impacted the performance of telecommunication companies around the world. The speed of innovation in our industry depends on sustainable economic recovery.

GAT: You have been a Director on the Board of the German American Chamber of Commerce New York for 5 years. How do you see the role of our chamber and how has your company benefited from your board membership?

STATZ: Deutsche Telekom, Inc. has been a member of the German American Chamber of Commerce New York for almost 20 years. We value the Chamber as an important networking platform, which provides us with valuable contacts within the German American business community. In addition, we are an avid user of the Chamber's J1 visa program for young Germans interested in doing an internship with us. **GAT**

Klaus-Peter Statz is President and CEO of Deutsche Telekom, Inc., the U.S. subsidiary of Deutsche Telekom AG. In 2005 he became a member of the Board of Directors of the German American Chamber of Commerce New York, where he serves on the Executive and Nominating Committee since 2007.

Deutsche Telekom **T** ■ ■ ■



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BOARD MEMBER INFO

Deutsche Telekom, Inc. is the regional representation for Deutsche Telekom AG in the Americas and has offices in New York, Los Altos and Washington. Deutsche Telekom AG is Europe's largest telecommunications carrier and through its subsidiary T-Mobile USA also the largest foreign investor in the U.S. telecommunications industry. T-Mobile USA serves over 33 million customers and has over \$21 billion in annual revenues. Deutsche Telekom, Inc. was founded in 1990.

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