

BRITISH-AMERICAN BUSINESS ASSOCIATION



Newsletter

January 2015

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On page 5: CBI report on UK investment in the USA.

Gala Christmas Luncheon Lights Up the Holiday Season

By Ben Cromer

The theme for BABA's 18th Annual Gala Christmas Luncheon, held December 12 at the Ritz-Carlton in Washington, was "Light the Way to Holiday Cheer"; indeed, a portion of the proceeds from the event went to the charity, "Help for Heroes." This year, the Deputy British Ambassador to the United States, **Patrick Davies**, kindly represented the Ambassador, **Sir Peter Westmacott**, who was called back to the UK on business. The hotel ballroom was filled to capacity, as usual, and the program reflected well on BABA, which maintains its strength year after year.

A special thanks to our event sponsors for supporting this gala luncheon: Premier Sponsor: **British Airways**. Platinum Sponsors: **Airbus** and **Raytheon**. Gold Sponsors: **Arnold & Porter**; **BT**; **HSBC**; **Lockheed Martin**; **Prospect 33**; **Rolls-Royce North America**; and **Strelmark Business Development/ACADEMI**. Silver Sponsor: **AECOM**.

For more details, including remarks to the audience by Deputy Ambassador Davies as well as photos from the event, turn to pages 6-7.



From left to right: BABA Chairman David Marsh, Deputy British Ambassador Patrick Davies, and BABA President Andrew Baker.

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BABA Event Listings, Committee Information, and More!

Register for events at www.babawashington.org

From the President . . .

Dear Members:

I hope that you, your family and friends had a very happy and safe holiday season. It really is a special time of the year where we can all take pause, reflect on the really important things in life, have fun, and look forward to the many opportunities and challenges of the upcoming year.



Remaining on a festive theme, I was delighted to meet so many of you at the annual BABA Christmas Luncheon. I hope that you found the event enjoyable and productive. Many thanks to all who could attend and a big thank you also to our Guest Speaker, the Deputy Ambassador at the British Embassy **Patrick Davies**; to all our sponsors; and to the BABA team that worked so hard to put on such a great event.

I would also like to take this opportunity to thank everyone for their passion, commitment, and support to the Association throughout last year. We have had a successful (and fun) year and added several additional components to BABA's repertoire, including the newly-established Trade & Policy and Small Business Committees and the CEO Speaker Series.

I am really excited about our prospects for 2015 and look forward to working with you all to further enhance the Association and the services we provide.

Once again many thanks and as always please do not hesitate to contact me with any feedback.

Wishing you all the very best for a Prosperous New Year!

Andrew C. Baker

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Membership Committee – Chair: Andy Steinem

BABA's continued success partly depends on the infusion of new faces and ideas. With the start of the New Year the BABA Membership Committee is looking to re-invigorate its efforts and reach out to new prospects as well as tap our resources to enhance BABA's membership. We welcome all referrals and any thoughts you may have as we enter the New Year.

Defense, Aerospace, Transport & Security – Chair: Jerry McGinn

The DATS Committee met with UK Minister of Defence Material **Steve McCarthy** at the UK Embassy on 5 December. The meeting, which also included **Rob Eason**, the Counsellor for Defence Acquisition and Technology (DAT), and **Lewis Hedge**, the First Secretary DAT, was the Committee's first opportunity to meet with McCarthy since his arrival to DC in September. The discussion gave him an opportunity to introduce himself to DATS members and outline his principal priorities for his term. McCarthy outlined the upcoming UK general election in May 2015 and the impact on defense issues, particularly the strategic defense and security review that will be conducted shortly after the new government is in place.

The discussion focused in particular on ways to improve US-UK technological cooperation through increased opportunities for networking between US and UK companies of all shapes and sizes. DATS and the Embassy MoD team decided to work together to identify venues and opportunities to further industry collaboration in the coming weeks.



Committee Roundup

BABA President **Andrew Baker** and senior executives from several DATS member companies met with Minister **Philip Dunne** for dinner while he was visiting Washington, DC on 17 December. Minister Dunne was in DC to meet with Deputy Secretary of Defense Dr. Bob Work and senior DoD officials, think tank leaders, and industry executives to discuss defense innovation and potential US/UK collaboration. The dinner was an excellent conversation focused around U.S. and UK efforts to spur defense innovation and all of the participants expressed a shared desire to increase US-UK collaboration on research and development efforts.

The discussion also included potential initiatives to improve science, technology, engineering, and math (STEM) opportunities for US and UK students and young professionals.

Andrew Baker served as host and Lockheed Martin, represented by **Steve O'Bryan**, Vice President for International Business Development, was the sponsor for the dinner. Other BABA participants included **Dave Perry** from Northrop Grumman, **Tom Vecchiolla** from Raytheon, **Jeff Kohler** from Boeing, **Rob Mullins** from Cobham, **John Schwenk** from BAE Systems, and **Jerry McGinn** from McGinn Defense Consulting LLC.

Communications Committee – Chairs: Ben Cromer and Neil Agate

The committee welcomes news about your company's products and services so feel free to provide press releases to us via e-mail to ben@bencromer.com.

For more information, visit www.babawashington.org.

'GREAT' Britain Campaign Creates Outreach for 'Paddington' Film

VisitBritain has partnered with The Weinstein Company to promote Britain as a GREAT destination for family travellers with the new "Paddington" film that opens this month. The movie, which follows the adventures of the beloved bear who arrives at London's Paddington Station from Peru, features **Ben Whishaw** as the voice of Paddington and stars **Nicole Kidman**, **Hugh Bonneville** ("Downton Abbey"), **Sally Hawkins**, **Julie Walters**, **Jim Broadbent**, and **Peter Capaldi** (the new 'Doctor Who'). The lovable bear can be seen in the campaign with the tagline "See Britain through Paddington's eyes."

VisitBritain has captured a cheeky selfie with Paddington Bear to inspire visitors to take their own selfies at locations around the country using the hashtag #PaddingtonsBritain. VisitBritain's GREAT branding is featured in the film, appearing in tube station scenes and on a red Routemaster bus.

"The film demonstrates the warm welcome that Britain delivers to all of our visitors," said **Joss Croft**, Marketing Director at VisitBritain.

Visitors can find ideas on how to plan their own Paddington adventure, including destination itineraries for towns across Britain reachable via Paddington station, at www.visitbritain.com/paddington.



Former DC Attorney General Rejoins Arnold & Porter LLP

Irvin B. Nathan, former Attorney General for the District of Columbia, has rejoined the Washington, DC office of **Arnold & Porter LLP** as senior counsel. Prior to his latest government service, Nathan was a partner at Arnold & Porter, where he practiced for more than 30 years, representing clients in criminal and civil litigations, including

BABA Business Line

securities fraud, civil RICO, and corporate compliance matters. He will be part of several practice groups, including Attorney Liability, Business Litigation, Legislative and Public Policy, and White Collar Defense.

“We are delighted to have Irv rejoin the firm,” said Arnold & Porter Chairman **Thomas H. Milch**. “He is a phenomenal lawyer with unique experiences who can help clients in a broad range of matters.”

Nathan was appointed Attorney General for the District of Columbia in 2011. Before joining the Office of the Attorney General, he served as General Counsel of the United States House of Representatives from 2007 to 2010. He has also served as Principal Associate Deputy Attorney General at the US Department of Justice and Deputy Assistant Attorney General for Enforcement in the Criminal Division; Senior Counsel for the US House of Representatives Judiciary Committee; and Special Minority Counsel for the Senate Intelligence Committee.

Nathan earned his JD from Columbia Law School and received his BA from John Hopkins University. For more information, visit www.arnoldporter.com.

PwC Report Unveils Key Issues Shaping Corporate Governance

A new report by **PricewaterhouseCoopers (PwC)** reveals that nearly three-quarters of institutional investors responding to a PwC US survey believe that it is important for corporate directors to be discussing their company’s crisis response plan in the event of a major security breach, yet only half of directors have had those discussions.

The PwC report compares findings of two surveys conducted in the summer of 2014. The first, PwC’s 2014 Annual Corporate Directors Survey, revealed the insights from more than 860 public company directors, with some 70 percent serving on the boards of companies with more than \$1 billion in annual revenue. At the same time, institutional investors with more than \$11 trillion in aggregate assets under management responded to PwC’s 2014 Investor Survey.



Corporate directors and institutional investors both identify strategic planning, risk management, and succession planning as top areas for board focus in the coming year. However, the two groups have notable differences in opinion when it comes to areas such as obstacles to increasing board diversity and the need for director communications about their board’s composition.

“We structured both surveys to focus on certain trends that are shaping corporate governance and which we believe will impact the board of the future,” said **Mary Ann Cloyd**, leader of PwC’s Center for Board Governance. “This report compares director and investor responses in order to identify where they share views or have different perspectives. We hope that this information will be used by directors, investors and management to help close the expectations gap.”

PwC’s findings reveal that investors are 64 percent more likely than directors to believe that CEO pressure influences a board’s decisions about executive compensation. In addition, 95 percent of directors say they understand their company’s risk appetite at least moderately well, compared with only 61 percent of investors who believe they do. Also, more than nine-in-ten directors say their board understands the company’s ability to prioritize the most important risks at least moderately well, compared with 58 percent of investors who believe this is the case.

For more information on the survey and its results, visit www.pwc.com.

The CBI Publishes 2014 Edition of 'Sterling Assets' Report

The Confederation of British Industry (CBI) has published the sixth annual edition of its *Sterling Assets* report, which showcases the high levels of investment from British firms in the United States and analyses how American subsidiaries of British-owned firms play a dynamic role in the US economy.



Sterling Assets VI: British Investment Creating US Jobs examines the commercial impact of UK business on the American economy and gives an overview of the individual importance of British investment in all 50 states and the District of Columbia.

“This decade was supposed to mark the start of America’s economic pivot toward the east. But as we move towards its mid-point, once again Europe has, perhaps surprisingly, taken center stage when it comes to investment and exports,” writes **Katja Hall**, CBI deputy director-general, in the foreword to the report.



Katja Hall

“This has been most significantly underscored by the commencement and progression of negotiations for an EU-US Transatlantic Trade and Investment Partnership (TTIP),” Hall adds. “At the heart of these trade discussions from our point of view is the ever-vibrant bilateral economic and investment relationship between the UK and US.

Here are some highlights from the report:

□ US subsidiaries of British firms play a vital role in the US economy. Many of the larger British companies investing in America are household names — the likes of **BT, Rolls-Royce, Vodafone, GlaxoSmithKline**, and **HSBC**. Together with many smaller companies, they are all contributing to the economic wellbeing of the United States.

□ British companies are attracted to America for several reasons. They appreciate the size of the market, a culture that fosters innovation and risk-taking, the deep capital markets, and the pool of talented workers. A common language as well as similar legal systems and cultural norms make it easy for Brits and Americans to work together.



□ Britain is the largest foreign investor in America. As of year-end 2012, the UK had invested \$487bn here, representing 18% of the \$2.7trn of foreign direct investment (FDI) in America. British investment is substantially higher than that of other large foreign investors, namely Japan, the Netherlands, Canada, and France. By comparison, investments from India and China are tiny: they don’t come close to reaching one percent of all FDI in the United States for a combined total of \$10.3bn by the end of 2012.

□ British investment is spread right across the entire United States. Every single state in America has workers in jobs that are created and sustained by British firms. The UK tops the list when compared to other foreign investors: there are 5.6 million ‘insourced’ jobs in America (i.e., jobs created by US subsidiaries of foreign-owned companies), and of these, 17 percent are supported by British investment.

“The figures in this report demonstrate that the relationship that exists between our two countries is significant,” Hall explains, adding, “at a time when sustained global economic growth seems tangibly close, the United States represents a growing opportunity for British businesses.”

To read the complete report, visit http://www.cbi.org.uk/media/2847843/sterling_assets_6.pdf.



18th Annual Gala Christmas Luncheon

With Premier Sponsor



December 12, 2014

The Ritz-Carlton, Washington, DC



Maureen Degnan presents Michael Reinhard with his prize — the Premier Holiday Basket donated by Airbus.



Sarah Russell (r.) is the winner of the week-long stay at an Outer Banks condo donated by OBXtek.



The group from the British School of Washington gets into the holiday spirit.



Bob and Valerie Gladwell pause for a photo with Barry New (at right).

In his remarks at the event, Deputy Ambassador **Patrick Davies** cited a number of highlights in 2014:

- The Duke and Duchess of Cambridge, better known as Will and Kate, took New York and Washington by storm. We also enjoyed a visit from Princess Anne, who opened an exhibition at the Library of Congress marking the 800th anniversary of Magna Carta.
- We commemorated the 200th anniversary of the end of the war of 1812, the last time the United States and UK fought against each other. British, American, and Canadian ships joined together in Baltimore to mark the anniversary of the when the Star Spangled Banner was penned by British forces bombarded Fort McHenry.

- In February we celebrated Britain's greatest export, and 50 years since the Beatles arrived in America for the first time.

- The UK secured the commitment of member states to the Wales Pledge at the 65th NATO Summit, and EU leaders reached an agreement to cut greenhouse gas emissions by 40 percent by 2030.

- In March, Great Britain legalised gay marriage, enshrining into law an important human right for all citizens, no matter who they love.

He concluded by saying, "We look forward to another GREAT year for the UK-US relationship in 2015."



Derrick Surratt of British Airways with Barbara French and Debbie Nash (c.), winner of the BA tickets to London. At right is Sally-Anne Andrew.



Hilary Fordwich and friends were among the many BABA members and guests at this annual gala event.



From left to right: Etta Mackay, Jennifer Rusieki, Andrew Kittell, Julia Kettle, and Tracey Ellis.



The Young Professionals from Prospect 33 take in the festive holiday atmosphere at The Ritz-Carlton.

All BABA event photos can be viewed at www.babawashington.org

Photos by Harvey & Harvey Photographers

Current Topics in Transatlantic Regulation of Financial Services

Organized by

BABA's Financial Services Committee

December 4, 2014

Rapidly evolving regulatory environments in the UK, EU, and USA, including frequent announcements of new rules and multi-billion dollar penalties, is posing issues of risk complexity and uncertainty in the transatlantic financial services marketplace. On December 4, BABA hosted a panel discussion on current developments in financial services regulations and what to look for in 2015 that could affect cross-border business and global financial services players. Hosted by **Goodwin Procter LLP**, this 'Business After Hours' panel discussion featured guest speakers **Peter Matheson**, Managing Director for International Policy and Advocacy at the Securities Industry and Financial Markets Association; **Sven Gentner**, First Secretary, Economic, Delegation of the European Union; and **Stephen Poss**, Senior Partner and Co-Chair of the National Securities Litigation and SEC Enforcement Practice at Goodwin Procter, LLP.



From left to right: Tom Good, Chair of BABA's Financial Services Committee; Sven Gentner, Delegation of the EU; Peter Matheson, SIFMA; and Stephen Poss, Goodwin Procter. The 'Business After Hours' event was organized by BABA's Financial Services Committee.

Energy, Environment, and the Power Industry: What's a Company to Do?

Organized by

BABA's Energy & Environment Committee

November 12, 2014

ALSTOM is a major player in the world of power generation, transmission, and transportation infrastructure with a broad portfolio of power generation technology options that includes coal, oil, natural gas, wind and hydro, biomass, geothermal, solar, and nuclear.

As Vice President, Power Technologies for Government Affairs, **Bob Hilton** is charged with ALSTOM's business and policy response in the USA. At a November 12 luncheon held at **Sutherland Asbill & Brennan LLP** in Washington, Hilton addressed the topic of balancing the energy needs of today with environmental considerations now and in the future. He also spoke about the impact of government regulations on power, including renewables, and the outlook for energy policy following the 2014 mid-term elections.



Guest speaker Bob Hilton, holding plaque, with Mark Herlach, Chair of BABA's Energy & Environment Committee, which organized the luncheon.

All BABA event photos can be viewed at www.babawashington.org

Photos by Harvey & Harvey Photographers



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New York | May 13-14, 2015

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Women Owned Small Business, Cloudware Technologies LLC is focused on providing information technology services and support to the Federal Government. Cloudware is currently providing information technology services and support as a subcontractor to the Office of the Director at the National Institutes of Health and its prime contractor Booz Allen Hamilton.

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Hoobar Ltd. was founded in 2014 and its core business is the design and manufacture of consumable products. The company is based in the UK and is building a shopping mall in Texas to serve American customers. The company offers accounts to both individuals and businesses and the accounts allow you to spread the cost of purchase over 12 months.

YOUNG PROFESSIONAL MEMBER

HUGH NICHOLSON

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