

**The Honorable Robert B. Zoellick  
United States Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508**

**Dear Ambassador Zoellick:**

**Pursuant to Section 2104 (e) of the Trade Act of 2002 and Section 135 (e) of the Trade Act of 1974, as amended, I am pleased to transmit the report of the Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6) on the U.S. – Bahrain Free Trade Agreement, reflecting consensus advisory opinion(s) on the proposed Agreement.**

**Sincerely,**

**(Original Signed)**

**John Easton  
Chairman  
Industry Trade Advisory Committee on  
Energy and Energy Services (ITAC 6)**

**The U.S. – Bahrain Free Trade Agreement (FTA)**

**Report of the  
Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6)**

**July 2004**

July 14, 2004

**Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6)**

**Advisory Committee Report to the President, the Congress, and the United States Trade Representative (USTR) on the U.S. – Bahrain Free Trade Agreement**

**I. Purpose of the Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6) Report**

Section 2104 (e) of the Trade Act of 2002 requires that advisory committees provide the President, the USTR, and Congress with reports required under Section 135 (e)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement.

Under Section 135 (e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations and each appropriate policy advisory committee must include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and achieves the applicable overall and principle negotiating objectives set forth in the Trade Act of 2002.

The report of the appropriate sectoral or functional committee must also include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sectoral or functional area.

Pursuant to these requirements, ITAC 6 hereby submits the following report.

**II. Executive Summary of the Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6) Report**

ITAC 6 has reviewed the U.S. -Bahrain Free Trade Agreement and our members agree that it will lead to improvements in the trade relationship between Bahrain and the United States.

On investment provisions and, more specifically, investor-state dispute resolution and the ability to use international arbitration, we are pleased that the U.S. – Bahrain Free Trade Agreement text explicitly recognizes that the provisions of the existing agreements will remain in effect. The existing Bilateral Investment Treaty (BIT) includes strong investor-state dispute resolution provisions such as ITAC 6 believes should be included in all FTAs and BITs.

**III. Brief Description of the Mandate of the Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6)**

ITAC 6 provides detailed policy and technical advice, information, and recommendations to the Secretary of Commerce and the USTR regarding trade barriers and the implementation of trade agreements negotiated under Sections 101 and 102 of the Trade Act of 1974, as amended, and Sections 1102 and 1103 of the 1988 Trade Act. ITAC 6 also performs such other advisory functions

relevant to U.S. trade policy as may be requested by the Secretary and the USTR or their designees.

**IV. Negotiating Objectives and Priorities of the Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6)**

Key area of the negotiated agreement of interest to ITAC 6 members:

- Investment provisions of the existing BIT are maintained.

**V. Industry Trade Advisory Committee on Energy and Energy Services (ITAC 6) Opinion on Agreement**

Against a background of serious concern by ITAC 6 regarding erosion of investor protections in other free trade agreements, the U.S. - Bahrain FTA and overall investment agreement approach appear to be a significant improvement. This is because the investment provisions of the existing BIT would be maintained. Chapter One, Section A, Article 1.2 of the U.S. - Bahrain FTA states, in part:

“The Parties affirm their existing rights and obligations with respect to each other under existing bilateral and multilateral agreements....”.

This language has the effect of reaffirming the investment provisions of the existing BIT, including the ability to use international arbitration to resolve investor-state disputes. Such dispute resolution provisions should be included or reaffirmed in all future FTAs.

**VI. Membership of Committee**

1) Mr. John Easton, Chair  
Vice President, International Programs  
Edison Electric Institute  
701 Pennsylvania Ave.  
Suite 400  
Washington, DC 20004-2696  
(202) 508-5633  
(202) 508-5080 (fax)  
[jeaston@eei.org](mailto:jeaston@eei.org)

2) Mr. Raymond Bragg, Jr.  
Consultant  
RFB, Inc. (Representing CNG International)  
3315 Cummings Lane  
Chevy Chase, MD 20815  
(301) 913-9012  
(301) 913-9041 fax  
[raybragg@worldnet.att.net](mailto:raybragg@worldnet.att.net)

3) Dr. William Whitsitt  
President  
Domestic Petroleum Council  
101 Constitution Ave., NW  
Washington, DC 20002-5703  
(202) 742-4300

(202) 742-4505 (fax)  
[wfwrightsitt@aol.com](mailto:wfwrightsitt@aol.com)

4) Mr. David Burnett  
President  
Piceance Natural Gas, Inc.  
1580 Lincoln Street  
Suite 970  
Denver, CO 80203  
(303) 832-6465  
(303) 832-6356 fax  
[png@orci.com](mailto:png@orci.com)

5) Ms. Leslie Coleman  
Assistant Vice President, Statistical Services  
National Mining Association  
101 Constitution Ave., NW  
Suite 500 East  
Washington, DC 20001  
(202) 463-9780  
(202) 463-2614 (fax)  
[lcoleman@nma.org](mailto:lcoleman@nma.org)

6) Mr. Gene Godley  
Partner  
Bracewell & Patterson, L.L.P. (Representing Gas Processors Association)  
2000 K Street, NW  
Suite 500  
Washington, DC 20006-1872  
(202) 828-5870  
(202) 857-2109 (fax)  
[ggodley@bracepatt.com](mailto:ggodley@bracepatt.com)

7) Mr. W. Russell King  
Senior Vice President  
McMoRan Exploration Company  
449 South Capitol Street, SW  
Suite 600  
Washington, DC 20003  
(202) 203-1024  
(202) 203-1025 (fax)  
[rking@joneswalker.com](mailto:rking@joneswalker.com)

8) Mr. Maurice McBride  
Attorney  
National Petrochemical & Refiners Association  
1899 L Street, NW  
Suite 1000  
Washington, DC 20036  
(202) 457-0480  
(202) 457-0486 (fax)  
[mcbride@npra.org](mailto:mcbride@npra.org)

9) Ms. Sherry Stephens

**President**  
**Petroleum Equipment Suppliers Association (PESA)**  
9225 Katy Freeway  
Suite 310  
Houston, TX 77024  
(713) 932-0168  
(713) 932-0497 (fax)  
[sstephens@pesa.org](mailto:sstephens@pesa.org)

**10) Dr. Paula Gant**  
**Director, Energy Policy and Strategy**  
**Duke Energy International, LLC**  
5400 Westheimer Court  
P.O. Box 1642  
Houston, TX 77251  
(713) 627-4786  
(713) 386-4069 (fax)  
[pagant@duke-energy.com](mailto:pagant@duke-energy.com)

**11) Mr. Bruce Hatton**  
**Consultant**  
**The Livingston Group (Representing McDermott International, Inc.)**  
499 South Capitol Street  
Suite 600  
Washington, DC 20003  
(202) 289-9881  
(202) 289-9877 (fax)  
[bnhatton@mcdermott.com](mailto:bnhatton@mcdermott.com)

**12) Mr. Hans O. Saeby**  
**President**  
**Cook Inlet Energy Supply**  
10100 Santa Monica Boulevard, 18<sup>th</sup> Floor  
Los Angeles, CA 90067  
(310) 556-8956  
(310) 556-8441 (fax)  
[hanss@cook-inlet.com](mailto:hanss@cook-inlet.com)

**13) Mr. Galen Cobb**  
**Vice President, Industry Relations**  
**Halliburton Energy Services Group**  
10200 Bellaire Boulevard, SW-12F  
Houston, TX 77072-4574  
(281) 575-3377  
(281) 575-5458 (fax)  
[galen.cobb@halliburton.com](mailto:galen.cobb@halliburton.com)