

Prepared Comments
Jeffrey W. Ruffner
Senate Finance Committee
Australia Free Trade Agreement

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Chairman Grassley, Senator Baucus, committee members, I would like to thank you for the opportunity to speak today on what I believe are the positive impacts of the Australia Free Trade Agreement on a company such as ours.

First, if I may provide some background. Our company is a small engineering and research company located in Butte, Montana. We employ 200 people, with the majority being highly skilled engineers, scientists, and technicians.

We currently have three significant business lines in addition to our standard engineering services. They include research for the aerospace industry, engineering and technology for the defense industry, and engineering and technology for various waste clean-up applications.

The nature of our work limits the services and products that we may market overseas. However, we do have specialty-engineered products and services for waste clean-up and Supervisory Control and Data Acquisition (SCADA) products that lend themselves well to overseas markets.

Now you may ask, why is a small company in Butte Montana so interested in the Australia Free Trade Agreement? The answer is because we must be. The nature of today's world and increased globalization means that even a small company in Butte

must look globally if they are to succeed. Clearly the future expansion of certain portions of our business must be overseas to ensure our long term success.

While neither I, nor our company has the experience and credentials comparable to many of today's speakers, we do have the battle scars and lessons learned from our adventures overseas. Our company has provided specialty engineered products or services in Japan, Korea, Poland, Greece, and the UK. While most of these adventures have been successful, they have certainly provided some valuable insight to the issues associated with international business development, marketing, and execution.

I look at all of the Free Trade Agreements our country is currently pursuing very parochially. I follow some with great interest and some with no interest at all based on the potential for our company. Because we are a specialty engineering business, we focus in highly technical market niches. When evaluating overseas market potential for our company and where to put our limited resources we look at the need for our product or services, the state of industry in the country, the regulatory and enforcement framework, the financial situation, and of course, the likelihood of payment. Certainly Australia has always met these criteria and is now even more attractive based on this agreement.

I'm sure my experiences don't differ dramatically from anyone else who has tried to develop business overseas. The language differences, cultural differences, as well as business practices are what make it interesting. However, the rubber meets the road on the business practice issue. Transparency and a clear well understood set of rules by which all are working are a necessity for small businesses when working overseas. I can make the determination for myself as to my interest in participation as long as I know the "rules of the game". I believe this agreement clearly lays out the rules and guidelines.

I am very pleased that we have signed the Australia Free Trade Agreement and look forward to implementation. The agreement clearly outlines a path forward for the development of professional services and clearly delineates the requirements for

government procurements, two areas in which I have a keen interest. However, I believe the most important aspect of the agreement is the overall delineation of a transparent and clear set of rules and guidelines by which we will both operate.

Australia is a market in which we have not previously participated but clearly meets our internal requirements as a potential market for our products and services. Based on this agreement and our financial resources we will certainly be looking to expand into that market in the future.

I would like to take this opportunity to thank all of those from the office of the U.S. Trade Representative, and all other agencies that participated who have worked so hard to get this agreement negotiated and finalized.

I would also like to thank Chairman Grassley, Senator Baucus and the other members of this Committee for giving me an opportunity to speak today and go on record in support of this agreement. This agreement has outlined the “rules of the game” and created a fair and level playing field, the rest is up to us.

Thank You