#5839

26 March 2010

Sorini Samet & Associates LLC (SS&A)
Consulting and Government Affairs Practice
700 13th Street, NW
Suite 930
Washington, DC 20005

Attention: **Mr. Ronald J. Sorini**

SUBJECT: EXTENSION OF CONTRACT FOR PROFESSIONAL SERVICES

NSD/CES/REGISTRATION UNIT
2010 MAY -5 AM 10: 29

Dear Mr. Sorini:

The Department of Trade and Industry hereby extends our contract of professional services under the following stipulations:

1. ***Objective.*** The objective of this Contract is to obtain the RP 809 + Apparel Pilot Program enacted into a United States Law, that allows duty-free entry for certain RP apparel exports using US Fabrics and Yarns and duty concessions for certain RP "Cut and Sew" by 31 March 2011.

   This Contract covers labor related work including, labor provisions to be incorporated into the SAVE Act, but not work relating to other trade matters such as GSP worker rights issues.

   SS&A shall pursue this objective with complete dedication and work diligently to achieve the objectives and timelines for each quarter as set forth under Annex "***A***" hereof.

2. ***Period.*** This Contract shall cover the period 01 April 2010 through 31 March 2011, unless terminated by either party. A monthly assessment shall be made by the DTI in order to ensure achieving the objective.

3. ***Payment.*** DTI agrees to pay SS&A the amount listed below, inclusive of all expenses except approved travel to the Philippines, at the end of each quarter:

   01 April 2010 - 30 June 2010 = Forty Thousand United States Dollar (US$40,000) *per month*

   01 July 2010 - 30 September 2010 = Forty Thousand United States Dollar (US$40,000) *per month*

01 October 2010 - 31 December 2010 = Forty Thousand United States Dollar (US$40,000) *per month*

01 January 2011- 31 March 2011 = Forty Thousand United States Dollar (US$40,000) *per month*

Travel to the Philippines shall require prior DTI approval and shall be based on actual expenses which will be invoiced separately with proper documentations.

4. ***Exclusivity and Non-transferability of the Contract.*** This Contract may not be transferred or assigned by SS&A to any third party without the prior written consent of DTI or its successor-in-interest. For purposes of this provision, third party to this Contract shall mean any entity or person other than SS&A.

5. ***Exemption for Third Party Liability***. SS&A and DTI shall hold each other exempt / free from any third party claim / liability arising from the performance of or by reason of the obligations, covenants and stipulations under this Contract.

6. ***Periodic Status Report.*** SS&A shall provide a written report to the DTI on its activities, transactions, covenants, stipulations, including the details appertaining thereto, and any matter performed under this Contract *monthly* or whenever required to by the DTI and the same shall be submitted to the Head of the Garments and Textile Industry Development Office (GTIDO).

7. ***Ownership and Confidentiality.*** All studies, research, recommendations, reports, documents and papers made and obtained during the period of and by reason of this Contract shall be the exclusive ownership and copyright of the DTI and the same shall be submitted to the DTI through Undersecretary ELMER C. HERNANDEZ with copy furnished to Senior Undersecretary THOMAS G. AQUINO on a quarterly basis or whenever required to by the DTI.

   SS&A shall not divulge or disclose to any third party any information/data obtained or received in the performance of or by reason of SS&A's obligations, covenants and stipulations under this Contract unless DTI's written permission is secured or when required by United States laws and regulations. This provision shall be enforceable between the parties for a period of one (1) year from the termination or expiration of this Contract.

8. ***Full Disclosure of Transactions.*** SS&A, either as part of its Performance/Status Report or otherwise, shall always provide a good faith and full disclosure of its transactions, including the name, rank and office of the persons, officials or entities they transacted with or met with, in the performance of the obligations, covenants and stipulations under this Contract.

9. ***Prior Notification and Consultation.*** To the extent practicable, SS&A shall notify and consult the DTI in advance for any changes in the bill. The DTI shall promptly provide its comments thereto which shall be communicated by SS&A to the sponsor of the bill.

10. ***Modification of Previous Contract.*** This Contract modifies the terms of the Contract between DTI and SS&A dated April 1, 2008. In case of inconsistency between this Contract and the Contract dated 17 June 2009, this extended Contract shall take precedence over the 17 June 2009 Contract.

    This Contract can only be modified when done in writing, and both parties must agree to such modification.

11. ***Resolution of Disputes***. In case of dispute in the interpretation and application of this Contract, the parties shall resolve the dispute through consultations with a view towards reaching amicable settlement.

11. ***Termination.*** Either party, with the consent of the other party, may for justifiable reason(s), terminate this Contract with a thirty-day written notice sent by the canceling / rescinding party clearly stating the reasons therefor, and duly accepted and consented to by the other party provided however, that in case the DTI terminates this Contract, it shall pay SS&A its monthly payment corresponding to the month/s rendered to be paid at the end of that quarter.

Should your company accept our proposal, kindly indicate your conformity by signing on the space provided below and return the signed copy to us.

Very truly yours,

For the Department of Trade and Industry

ELMER C. HERNANDEZ
Undersecretary

CONFORME:

For SORINI SAMET & ASSOCIATES LLC

RONALD J. SORINI

NSD/CES/REGISTRATION UNIT
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Annex "A"

OBJECTIVE AND TIMELINES OF THE CONTRACT

Objective for the Period of 01 April 2010 – 31 March 201:

> Seek to obtain the SAVE Act (RP 809/Apparel Pilot Program enacted into an enforceable US Law, that allows duty-free entry for certain RP Apparel exports using US Fabrics and Yarns and duty concessions for certain RP "Cut and Sew") by 31 March 2011. This contract covers labor related work including, labor provisions to be incorporated into the SAVE Act, but not work relating to other trade matters such as GSP worker rights issues.

Period – 01 April 2010 – 30 June 2010

- **Key Action Items**

A. Introduction of Senate Bill – Completed

B. Consensus on Remaining Issues Regarding Drafting of SAVE Act -- Probable

C. Consideration of SAVE Act by Committees of Jurisdiction – Probable

The objective is the Senate bill will have been introduced by the end of March 2010, which barring any remaining technical issues in the bill drafting process or decisions by the Senate sponsors to delay introduction, is expected to have been completed before April.

During the second quarter of 2010 work will include two parallel efforts: (i) continue to seek consensus with U.S. stakeholders on remaining language for the legislation, including the final scope of the categories covered by the bill, language related to the future assessment of the results from the legislation, and the likely labor compliance requirements for the legislation; (ii) on-going efforts to assure consideration by the SAVE Act as part of trade legislation approved by the Ways and Means and Finance Committees during the quarter.

Consensus on Drafting Issues:

In order to maximize the probability that final consensus can be developed on the legislation that would be considered by the Committees, the following actions will be taken during the quarter:

- Continue to engage AMTAC, NCTO and U.S. textiles mills (including some that are not members of either association) on consensus on scope of categories covered by the SAVE Act and an assessment mechanism on its effective implementation. This effort will be supported by continued outreach to various U.S. textile mills in cooperation with U.S. brands/retailers. During the quarter work will also be undertaken to support a buying mission from RP manufacturers to the United States to meet with U.S. mills.

- Develop and consult on labor language that could be the basis for consensus on relevant provision for the SAVE Act. The effort will involve continued consultations with relevant stakeholders in Congress, and also outside labor and business stakeholders both in the United States and the Philippines, and the ILO.

- On-going consultations with Administration officials will also be undertaken to assure consideration of any technical input.

Consideration by Committees:

In order to maximize the probability of inclusion of the SAVE Act in trade legislation that might be reported by the Ways and Means and Finance Committees during the quarter, additional efforts will be made to increase the demonstrated support in the Congress for the SAVE Act. A key indicator of such support will be the addition of further cosponsors to the House and Senate bills. This objective will be pursued through various on-going efforts.

- Work with the U.S. apparel brands/retailers and trade associations on advocacy efforts in the U.S. Congress. This will include organizing meetings with Congressional offices, and support of written communication to members of Congress by U.S. companies.

- Further support of the RP Embassy in their engagement with the Filipino-American Community related to the SAVE Act and outreach to members of congress through these communities.

- Coordinate with PGMA visit to Washington in April to increase outreach on SAVE Act with key Congressional Leaders. Work with RP officials on follow up communication from PGMA to Congressional leaders after immediately April visit.

- Work with the US-RP Caucus on a "Dear Colleague" Letter and other outreach on SAVE Act to key members of congress, including those on Ways and Means Committee and the Administration.

- Work with Senate sponsors on letter and other communication to key Senate leaders, including those on the Finance Committee, about the importance of inclusion of the SAVE Act in any trade legislation to be considered by the Senate in 2010.

- Seek support of key opinion leaders on trade and foreign policy for the SAVE Act.

2nd Quarterly Period – 01 July 2010 – 30 September 2010

- **Key Action Items**

A. Consensus on Remaining Issues Regarding Drafting of SAVE Act -- Completed

B. Consideration of SAVE Act by Committees of Jurisdiction – Completed or Near Completion

C. Passage of SAVE Act as Part of Trade Package in Congress – Possible to Likely

D. Enactment of Trade Package – Possible to Likely

As during the second quarter of 2010, the primary objective will be to seek the inclusion of the SAVE Act in any trade legislation reported from the committees of jurisdiction, the Ways and Means and Finance Committees, and that will be passed by the full House and Senate. It is likely that before the end of this quarter that one or both Committees will have completed action on a trade measure to be sent to the floor for passage. To increase the potential for inclusion of the SAVE Act in the Committee reported legislation, it will be necessary to have completed resolution on all or nearly all issues of concern and legislative drafting to the relevant stakeholders as discussed with regard to the work plan for the second quarter of 2010. It is also possible, although not probable, that Congress will actually complete action on a trade package by the end of this quarter.

The key time windows for potential legislative action are in July and September, as the Congress takes a legislative recess generally for the month of August – although work on the effort to increase the momentum to pass the SAVE Act would continue during August as referenced below. Congress can be expected to recess for the November elections by early October.

As indicated, action will have been substantially completed on resolving all bill language issues related to the category scope, the assessment of the operation of the program and labor related language during the second quarter and before the time of Committee action during this quarter. Any remaining issues are likely to be resolved against the deadlines of the Committees scheduling action or floor consideration on trade legislation.

Support for the SAVE Act will not by itself determine the timing of Committee action on the relevant trade packages related, but the likelihood of including the SAVE Act in such legislative package will reflect the resolution of any remaining language issues, and the scope of support in the Congress for its inclusion. Consequently, activities to encourage more support and more co-sponsors for the legislation as described in the work plan for the second quarter will continue in the third quarter.

Committee and Floor Action on Trade Legislation:

Action by the Ways and Means and Finance Committee on trade packages has a possibility to occur in the July time period. This could involve one or both Committees completing action and a trade bill coming to the floor of one or both chambers before the August recess. The objective is to have the SAVE Act included in whatever trade package is passed by the House and the Senate during the July time window. It is also possible that the Committees and House and Senate could take such action in the September time window – and the objective to have the SAVE Act included would remain the same. It is further possible that Congress could complete action on a trade package before recessing for the November election, and again the objective to assure inclusion of the SAVE Act in such final package remains the ultimate objective.

The action plan during the quarter would include the following:

- Work with the U.S. apparel brands/retailers and trade associations on advocacy efforts in the U.S. Congress. This will include organizing meetings with Congressional offices, and support of written communication to members of Congress by U.S. companies.

- Further support of the RP Embassy in their engagement with the Filipino-American Community related to the SAVE Act and outreach to members of congress through these communities.

- Work with House and Senate supporters on additional "Dear Colleague" letters on the SAVE Act and other related communications to key members of congress, including those on Ways and Means Committee and the Administration, about the importance of including the SAVE Act in any trade legislation to be considered by the Congress in 2010.

- Seek support of key opinion leaders on trade and foreign policy for the SAVE Act.

- Support high-level RP Government and private sector visits to help maintain focus in US Congress and US private sector on the importance of the SAVE Act.

➢ **Key Action Items**

A. Inclusion of Trade Package in Omnibus Legislation Congress – Completed

B. Enactment of Trade Package – Completed

If the Congress does not complete action on trade legislation before recessing for the November elections, it is most likely that Congress will reconvene for a "lame duck" session usually held between mid-November to mid-December. These sessions are usually highly productive and can include the passage of a number of legislative items folded into very large omnibus bills – and such a bill would likely include a trade section.

If the trade agenda is postponed by Congress until a lame duck, work would need to be on-going to be prepared for the fast moving lame duck session to assure that the SAVE Act would be included in any final trade package adopted by the Congress.

That would mean a highly focused effort during the quarter on the following action items.

- Work with the U.S. apparel brands/retailers and trade associations on advocacy efforts in the U.S. Congress. This will include highly focused efforts to engage key members of Congress who will be involved in the final trade package to be included in the lame duck legislation.

- Further support of the RP Embassy in their engagement with the Filipino-American Community related to the SAVE Act and support for focused outreach to key members of Congress through these communities.

- Support the key House and Senate members in their efforts to assure inclusion of the SAVE Act in the final lame duck package.

- Seek support of key opinion leaders on trade and foreign policy on importance of including the SAVE Act in the final lame duck package.

- Coordinate with key RP Government and private sector representatives who will need to be in Washington during the critical period to engage key members about the importance of the SAVE Act's inclusion.

4th Quarterly Period – 01 January – 31 March 2010

➢ **Key Action Items**

A. Implementation of SAVE Act – Completed

B. Outreach to US Buyers and Textile Sector on the SAVE Act – On-Going

With the enactment of the SAVE Act, the work would relate to the important focus of assuring that the U.S. Administration effectively implements the SAVE Act and issues the necessary guidelines and directives. The agencies that would be engaged would include Customs and Border Protection, Commerce, USTR, and potentially others including State, Treasury and Labor.

A second important focus would be on outreach to the U.S. buying community and the US textile industry on the potential opportunities provided by the SAVE Act.

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