

The Washington Post

Foreign Firms Eye Stimulus Dollars

Some Have Expertise U.S. Companies Lack

By Dan Eggen
Washington Post Staff Writer
Monday, March 23, 2009; A01

Spain's Prince Felipe and his wife, Princess Letizia, visited New York and Washington last week on an unusual mission for one of Europe's most glamorous celebrity couples: to drum up business for Spanish companies from the U.S. economic stimulus package.

"Only by working together with U.S. businesses and government, as well as coordinating our needs and priorities, can we get our countries, and world, back on track," Felipe said at a Manhattan business luncheon, which also featured former vice president Al Gore.

U.S. firms are not the only ones hoping to cash in on the \$787 billion stimulus program. Foreign nations and companies are stepping up their lobbying efforts in Washington and in state capitals, hoping to gain vital business in hard times. Hundreds of foreign-owned companies, many of them with significant operations in the United States, are selling their expertise in clean energy, high-speed transit and other technologies that undergird key aspects of President Obama's stimulus efforts.

Meanwhile, foreign companies, trade ministries and business groups are proceeding cautiously for fear of stoking nationalistic objections from U.S. lawmakers and their constituents. Lobbyists and consultants hired by the companies are warning them to proceed carefully and to emphasize that any contracts would lead to jobs in the United States rather than overseas.

The effort also poses a political challenge for Obama, who is pushing the United States to focus stimulus projects on alternative energy, rapid transit and other technologies pioneered in Europe and Asia. "Buy American" provisions in the stimulus legislation and elsewhere in U.S. law require that most materials and work be produced in the United States, but such statutes are effectively silent on where the parent firm should be based.

"Once you get into some of these specialized technologies, only one or a few companies worldwide can provide it," said Jayson Myers, president and chief executive of Canadian Manufacturers & Exporters, an Ottawa-based industry group. "If you want to advance the innovation priorities of the Obama administration, it becomes very difficult without involving foreign companies."

Telecommunications companies such as [Alcatel-Lucent](#) of France, for example, and its New Jersey-based research arm, Bell Labs, are eligible to seek part of \$7.2 billion in stimulus money set aside for upgrading broadband networks. Most global firms specializing in the transit and high-speed rail projects envisioned under the stimulus act

are based in other countries -- Canada's Bombardier and France's Alstom, for example. Transurban Group of Australia, which is helping develop high-speed toll lanes along the Capital Beltway, is a world leader in developing toll roads.

Sanyo North America, an arm of the Japanese technology giant, has broken ground on a solar-panel plant in Oregon and is readying strategies to tap into stimulus-related business, according to company officials. The firm recently registered as a lobbying organization in Washington for the first time since 2001, Senate records show.

"With the new stimulus package that the federal government has announced, it is starting to appear that the U.S. market will be a prime location to focus much more effort on our environmental and energy-related technology and products," said spokesman Aaron S. Fowles, based in San Diego.

Foreign-owned firms play a significant role in the U.S. labor force, according to federal statistics. They employ 5.3 million workers in the United States, spend \$336 billion on American payrolls and account for 20 percent of U.S. exports.

But such firms are admittedly nervous about the idea of publicly angling for U.S. stimulus money, fearing the kind of political uproar that erupted in 2006 over plans by a United Arab Emirates-owned company to take over management of six U.S. seaports. In recent weeks, some lawmakers have objected to the revelation that billions of dollars in bailout money for [American International Group](#) ended up in the vaults of foreign-owned banks to which the company owed money. "We have concerns that others may try to use the fact that these companies are based abroad as some sort of gotcha," said Nancy McLernon, president of the Organization for International Investment, which represents 150 foreign companies with major U.S. operations. "But you can't put American jobs in the clean little baskets that you put them in 50 years ago. Simply put, more work for companies operating in the U.S. means more jobs for U.S. workers."

If a foreign firm received a stimulus-related contract, most of the wages and product purchases would stay within the United States. But some portion, perhaps up to 40 percent, could leave the country, trade experts said.

Obama has treaded carefully on the issue, echoing campaign statements in which he generally favored free-trade policies while promising to aggressively preserve and create U.S. jobs. "The purpose of the recovery act is to put people to work in this country, and that's what the administration is focused on as we implement it," said Elizabeth Alexander, press secretary for Vice President Biden, who is overseeing the stimulus effort.

Obama's own biography illustrates the difficulty in drawing sharp national boundaries around commerce. His favorite communications device, the BlackBerry, is manufactured by Canada's [Research in Motion](#), which has significant operations in the United States. During the campaign, Obama visited a wind-turbine manufacturing facility in Pennsylvania owned by Gamesa of Spain, one of the many European companies

dominating that market. Sen. John McCain (R-Ariz.) made a similar stop during his presidential campaign last year at a Portland, Ore., plant owned by Vestas, the world's leading wind-power supplier, which is headquartered in Denmark and is pursuing joint projects with Boeing.

Former congressman Max Sandlin (D-Tex.), co-chairman of the International Government Relations Group, said many overseas firms seek opportunities under the stimulus act, but they need to stress benefits to the U.S. economy. Sandlin's lobbying firm represents such companies as the Macquarie Group, an Australian investment bank that specializes in toll roads, airports and other infrastructure.

"A lot of foreign companies with a particular niche or expertise are looking to partner with American companies to make a win-win situation," Sandlin said. "What I'm telling these companies is they have to understand that bread on American tables and jobs for American families has to be the top priority."

The trip by Felipe included business-related events in New York as well as talks with officials in Washington. Spain's fast-growing economy has been pummeled by the global recession, and the nation has the highest unemployment rate in Europe.

Bisila Bokoko, executive director of the Spain-U.S. Chamber of Commerce, called the trip a success. "Because of the stimulus package, a lot of Spanish companies have opportunity here," she said.

Research editor Alice Crites contributed to this report.