

AmCham Newsletter

American Chamber of Commerce in Norway

May 2001

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AmCham Bids Farewell to Ambassador Robin Chandler Duke

The American Chamber of Commerce in Norway sponsored a farewell reception for Ambassador Robin Chandler Duke attended by AmCham's Patron Members and officers of the Board. The reception was held Wednesday, February 21st at the American Ambassador's residence.

On this occasion, Tony Gordon III, AmCham's Chairman of the Board, expressed sincerest thanks for her support and presented her with a specially commissioned Norwegian rosemaling wooden bowl as a token of deep appreciation for her contribution to the work of AmCham. Ambassador Duke expressed her pleasure in receiving such a lovely gift, with its personalized inscription as Honorary Chairman of AmCham during her time in Norway.

Also joining us for this farewell to Ambassador Duke was Ms. Lillian Lorentzen and other representatives of the American Women's Club who presented Mrs. Duke with the Club's special Norwegian Cookbook to guarantee that the "taste" of Norway stays with her for many more years.



Ambassador Duke expressed her great pleasure working with AmCham and the American Women's Club. She stressed that the traditionally strong friendship that exists between Norway and the United States has a very long history and enjoys deep roots. The work of AmCham, the American Women's Club and others are to be congratulated for all their efforts that contribute to the further enrichment of this relationship.



Annual Report 2000

The American Chamber has completed its third year of operation and its membership continues to grow. More significantly our membership represents close to 95 percent of all U.S. investments in Norway.

Year 2000 saw a major change in the administration of the Chamber as Rolf Rödning decided to step down from his position as President to pursue his interests in Malta. Genvieve Johannessen resigned at the same time. Mr. Rödning took the initiative to establish the American Chamber of Commerce in Norway and in recognition of his contribution he was voted Honorary President of the Chamber. Mr. Rödning will continue to serve on the board. Dieter Schaubert was appointed to the position of Managing Director effective September 1, 2000. Ms. Barbara Buli assumed the position of Office Manager. Mr. Robert Odean is serving as Assistant Managing Director on a voluntary basis.

The Chamber's activities continued the traditional business and social events including the Annual General Meeting, Breakfast Briefings in the U.S. Embassy, Fall Reception at the Ambassador's residence and the All American Thanksgiving Dinner & Dance (TGDD) held at the Bristol Hotel. Following what we hope will become a welcome tradition we hosted a group of 50 members of the Norwegian American Chamber of Commerce. The weekend tour to Norway was organized by the Chicago and Minneapolis Chapters of the NACC. AmCham's Honorary Chairman Ambassador Robin Chandler Duke honored us with her presence at the Thanksgiving Celebration and spoke on the importance of the work of the American Chamber of Commerce in Norway.

We arranged two Executive Round Tables. The first focused on E-Trade/E-Commerce, whilst the second in January this year, with guest speaker Minister of Petroleum & Energy Olav Akselsen, dealt with the government's plans for the fundamental changes in Norwegian Petroleum Policy with the initial privatization of Statoil and disposition of the parts of the State's Direct Financial Interest in the petroleum sector. Both attracted prominent speakers for politics and business. Our special thanks go to DnB and Andersen Legal for making their excellent conference facilities available for these important events.

We held one Board meeting and four Executive Committee Meetings. Upon assuming my responsibilities as Managing Director, and after consultation with the Executive Committee, I set up a Strategy Task Force to review AmCham's programs and suggest new directions. I also attended the meeting of the European American Chamber of commerce (ECACC) in The Hague to compare notes and gather experiences with my European colleagues. It became apparent that most ECACC members align their legislative and lobbying initiatives through the EU Committee of the American Chamber of Commerce in Belgium.

The role of the individual national AmCham is monitoring the harmonization of EU legislation with national legislation. In Norway, as a non EU member, AmCham's role requires a more proactive relationship vis a vis government and legislation. In response to this challenge AmCham Norway must monitor those issues and concerns that require on-going policy development task force groups that are prepared to make political action

recommendations to the Executive Committee and Board. To begin the process a broadly based Program Committee has been appointed by the Executive Committee. Following recommendations from this task force I have begun calling on members (beginning with Patrons) to ascertain their concerns and views on how AmCham can more effectively serve their needs.

In addition to the Program Committee the following committees have been or are in the process of being established: Petroleum & Energy, Pharmaceutical and IT. We are also seriously looking into the possibility of establishing a committee to monitor the issues of changes in corporate taxation that has been mentioned in the St. Prp. Nr. 1 (2000-2001). To further expand the base of AmCham's membership we will form a Membership committee working with the US Embassy to solicit those US companies not yet members of AmCham.

Under the chairmanship of our Treasurer André Demarest we are developing an internship program, which enables US students studying in Norway to gain practical business experience as part of their studies in Norway. AmCham, along with two of its members PricewaterhouseCoopers and Transport-Provider, are currently participating in this program.

AmCham's financial performance was satisfactory in as far as total income and expenses are in close balance as budgeted. This was in particular gratifying as the change in our administration required duplicate expenditures during the orientation and training period.

One of our Patron member companies has made a significant contribution to AmCham by donating advanced computer equipment and a high speed laser printer. Work is in progress to enable AmCham to communicate more effectively with its members. To this effect we have requested that all members update their personal and company information ensuring an accurate database.

When I address you next year with the Annual Report for 2001, my ambition is that the initiatives we embark on now will enable us to report that the American Chamber of Commerce in Norway has been a strong influence in improving Norway as a fruitful environment for US Companies and business. To achieve these goals all AmCham members have a part to play. I thank you all for your support and continued interest in AmCham.



Dieter Schaubert
Managing Director
The American Chamber of Commerce in Norway

Annual General Meeting Report

The meeting was called to order by Øystein Rød, 1st Vice Chairman, in the absence of the Chairman, Tony Gordon III. Øystein Rød indicated that Tony Gordon was absent because of a high level meeting at Conoco. Robert Odean was asked to take minutes.

The chairman called for approval of the printed agenda. By common consent the agenda was approved.

The Chairman recognized Håvard Larsen, the new Managing Director of Compaq, and Øystein Ullness, Lars Davidsen and Odmund Granli, new Patron Members representing the consulting firm, Ambisjon. He also welcomed Rolf Röding, former President and now Honorary President of AmCham.

Øystein Rød called on Dieter Schaubert for the Managing Director's Report. Mr. Schaubert outlined his activities since taking on the Managing Director's position in September. The full report is attached. The members expressed their appreciation and approval by their applause.

André Demarest was called on for the Treasurer's Report. Mr. Demarest reported that the Chamber's financial situation is healthy. The full report is attached. He reported that the audit by Arthur Andersen has been completed and he expected to receive the signed auditors' report shortly. By common consent the report of the Treasurer was accepted. In addition, Mr. Demarest pointed out that due to the new requirement to pay VAT on the consulting services of Dieter Schaubert and Barbara Buli by the 1st of July 2001, AmCham would have to consider increasing membership dues for the 2002 calendar year in order to cover the associated costs. He also stated that he would work with the Executive Committee on a specific proposal in this regard to be voted on by the Board in September. On behalf of the membership, Chairman Øystein Rød expressed appreciation to both Dieter Schaubert and André Demarest for their excellent work on behalf of the Chamber.

The Chairman then called on Tor Dahl, Chairman of the Nominating Committee. The following persons were introduced

and elected to the AmCham Board for a term of three years: Heidi Johansen, Catherine Eikland, and Nancy Sandmæl. The floor was open to further nominations. Tor Dahl was nominated and elected to the Board.

Tor Dahl placed in nomination the following persons as officers of the Board: Tony Gordon III as Chairman, Øystein Rød as 1st Vice Chairman, Lisa Abrahamson as 2nd Vice Chairman, and André Demarest as Treasurer. He also placed in nomination Oscar Munch as Chairman of the Nominating Committee. By unanimous consent the above officers were elected. Officers serve for a one-year term.

Following the election of new members and officers of the Board, the chairman called on Robert Odean for a report from the newly established Program Committee. Included in the packet of materials was a full report of the Committee's work. Members of the Committee were introduced with the suggestion they be approached with program ideas beyond those developed so far. Those members of the Committee present were: Lisa Abrahamson, Tor Dahl, André Demarest, Catherine Eikland, Paul Frikstad, Heidi Johansen, William Nunn, Rebecca Selvik, Dieter Schaubert and Robert Odean.

Dieter Schaubert then reported that work was in progress in the forming of two key committees: an IT Committee dealing with common concerns of the IT business community and a Tax Study Committee responding to current work in progress with the Storting. As these Committees develop their work will be reported. The Chairman expressed appreciation for the work of the Program Committee and for the organizing efforts in progress.

There being no further business the Annual General Meeting was adjourned.

Respectfully submitted, Robert Odean



Speakers at the Annual General Meeting (l to r): André Demarest, AmCham Treasurer, Janne Haaland Matlary, Guest Speaker UiO-Professor of International Affairs and Dieter Schaubert, AmCham Norway Managing Director

AmCham Board and Committee Members

The newly constituted Board of AmCham is as follows:

Honorary Chairman	Jon Gundersen, Chargé D'Affaires, American Embassy
Chairman	Tony Gordon III, Norske Conoco AS
1. Vice Chairman	Øystein Rød, Adv. Lindh Stabell Horten DA
2. Vice Chairman	Lisa Abrahamson, A.T. Kearney AS
Managing Director	Dieter Schaubert, AmCham
Treasurer	André Demarest, Transport-Provider AS
Honorary President	Rolf Røding, Zany Marine Ltd.
Director	Henrik Andenæs, Norsk Hydro ASA
Director	Kathleen Arthur, Norsk Chevron AS
Director	Guisepe Castaldi, 3 M Norge AS
Director	Tor Dahl, Manpower A/S
Director	Catherine Eikland, Adv. Steenstrup Stordrange
Director	Gerhard Heiberg, Norscan Consulting AS
Director	Heidi Johanssen, Synergi Rf
Director	Håvard Larsen, Compaq Computer Norway AS
Director	William Nunn, Lockheed Martin Int. S.A.
Director	Jan Rudi, Lexmark Norge
Director	Nancy Sandmæl, Doorway to Norway
Director	Rebecca Selvik, J.P. Morgan
Director	Ole Morten Settevik, Microsoft Norge AS
Director	Merete Simonsen, Coca-Cola Norge
Director	John Steele, ExxonMobil AS
Director	Lars Otto Wollum, Booz.Allen & Hamilton AS
Ex-Officio	James Koloditch, US Embassy
Delegate	Steve Peri, NACC Inc.

The newly constituted Executive Committee Members are:

Tony Gordon III, Chairman
 Lisa Abrahamson
 Tor Dahl
 André Demarest
 William Nunn
 Øystein Rød
 Dieter Schaubert
 Rebecca Selvik

The 2001 Committees are:

Information Technology Committee	Chairman:	To be announced
Nominating Committee	Chairman:	Oscar Munch, IPP
Petroleum Policy Committee	Chairman:	Dieter Schaubert, AmCham Norway
Pharmaceutical Committee	Chairman:	Vidar Sie, MSD Norge
Program Committee	Committee Coordinator:	Robert Odean, AmCham Norway



USA Travel Project Offers Unique Marketing Opportunity for American Businesses

by Jerel De Leon, *Aftenposten*

The USA Travel project by Aftenposten, Norway's leading newspaper; promises to be a groundbreaker in focus marketing of USA tourist destinations, attractions and travel services. However, it also shapes up to be a splendid platform to showcase a wide range of American businesses to Norway's affluent market.



The project was developed in response to the lack of a national tourist office where Norwegian travelers could get information about the U.S. "The United States is the only developed nation in the world that doesn't fund a national tourism office," according to William Norman, President and CEO of the Washington based, Travel Industry of America.

Aftenposten's pioneer U.S. project consists of both Internet and print. The Internet site is named USA Travel Interactive and is linked to Aftenposten's award winning

web site Aftenposten.no. The Aftenposten site recently won gold as Norway's best news site. The popular web site has approximately 3.5 million page impressions weekly.

USA Travel Interactive provides a one-stop web site for all USA travel information. It features a click-on map of the 50 states, online ticket sale links, reader's club, web cam capabilities, prize quiz on America, plus links to special U.S. events, attractions, sports and hundreds of American city web sites. It also includes a travel trade zone where travel trade professionals can access restricted information.

The print offering is entitled, *Reise til Amerika, USA Travel Reference Magazine 2002*. "It's a sourcebook of America's travel destinations, suppliers, attractions, events and services." The reference magazine will provide a color-coded USA map, 2002 calendar of events and editorials from every U.S. region. It will allow the reader access to U.S. travel information that has never before been mass distributed to the Norwegian market.

The USA Travel Reference Magazine is also presented as a platform where Visit USA Committee of Norway can present their yearly programs. Visit USA is an organization of Norway's main travel suppliers and services, such as: airlines, tour operators, cruise lines, car rental companies etc., that share increased American tourism as a priority goal. "Important and

exciting news to us all!" exclaimed Widar Jensen, Chairman, Visit USA Committee Norway. Besides celebrating the diversity of America's landscape, heritage and culture, *Reise til Amerika*, will also include a feature article on Norwegian immigration to the United States.

The USA Travel Reference Magazine 2002 launch date is in November of this year, to coincide with the American holiday of Thanksgiving.

As an insert into Aftenposten's daily, the circulation will be 300,000 copies, 93% of which are subscription. The magazine will contain a minimum of 32 pages and include a pre-paid reader response card.

To provide maximum saturation of the travel market, 25,000 copies will be delay released January, 2002 at Reisliv in the U.S. Pavilion. Reisliv is Norway's major international travel exhibition. Attendance at Reisliv 2001 was over 40,000 total visitors for the entire 4 day fair.

"Travel and tourism is America's largest services export industry," states Aftenposten's USA Travel Director, Jerel De Leon. "The U.S. continues to rank as a leading long haul destination for Norwegians, even with the high dollar value. As far as I know, there is no major media company in any country that offers such a robust program to promote the USA. The fact that it was conceived in Norway just reaffirms Norway's wonderful history of cultural and business ties to the U.S."

He also adds, "The superior paper quality and magazine format provides a U.S. sourcebook that can be actively used throughout 2002. The potential life expectancy of one year should prove quite appealing to both readers and advertisers AMCHAM advertising in the USA travel project would be a natural companion. Besides reinforcing the American travel destinations and services, it will also connect its' member companies with a truly innovative campaign to show off the spirit and glory of America. It should be a win situation for all!"

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How to Improve Norwegian Consumer's Access to Medical Innovation

by Vidar Sie, MSD Norge

This article was written in August 2000. Delayed access to modern medicines is still a major problem for Norwegian patients, but there has been some positive signals over the last half-year. The complex and extremely bureaucratic reference pricing system introduced in 1993 was abandoned effectively

from January 1, 2001. This positive change was influenced in large part by the work of the AmCham Pharmaceutical Committee. More interestingly in the National Budget document for 2001, a united Parliament instructed the Department of Health to align with the EEA agreement, stating that reimbursement decisions should be taken within the granted 90 days. However, it remains to be seen if this will happen in practice...



How to improve Norwegian consumer's access to medical innovation?

Three myths are often commonly held by those not familiar with the research based pharmaceutical industry; namely, that "medicines are too expensive", that "we take too many drugs" and that "the pharmaceutical industry makes too much money." Let me first deal with these myths, then deal with fact that Norwegian consumers get late access to new and better medicines, and finally discuss ways to improve this situation.

Why have these myths developed?

Contrary to the US, we in Europe are not allowed to direct any therapy or product information to the consumer. Obviously, this restriction limits consumer understanding and awareness of pharmaceutical breakthroughs in the treatment of disease. Adding to the problem in Norway is the lack of a domestic research-based pharmaceutical industry. Both Sweden and Denmark have both national "research engines" like Astra and Novo Nordisk, which over decades have encouraged medical innovation. Norwegian pharmaceutical business has focused instead on so-called "generics" - that is, copying the once innovative products once their patents have expired.

Perception: "Medicines are too expensive"

The Fact: Norwegian medicine prices at wholesaler levels are below the European average. What makes the retail price high is tax. Norway has the second highest VAT on pharmaceuticals in Europe (23%). The Government collected more than NOK 2 billions last year on tax derived from sales of pharmaceuticals. Reduced by VAT and the increasingly co-payments from patients, less than half of the price for a specific product, represents a cost for the Government. Is this "too expensive"? Bearing in mind the general cost of living in Norway, one could more plausibly argue that prices are too low, or at least that the innovative medicines do provide value for money.

Perception: "We take too many drugs"

The Fact: Norway has by far the lowest drug consumption per

capita in the OECD. We do not take too many drugs. A relevant question to ask is "What are the problems associated with underuse of certain medications?" The problem for the consumer/patient is failure to receive not only improve medical treatment but often treatment that is cost-effective for many conditions as well. This is easily an argument for higher drug consumption in Norway within certain patient groups rather than less.

"Perception: "The pharmaceutical industry makes too much money"

The Fact: It takes 10-20 years and huge resources to bring a new therapy to the patients. A lot of components never reach the patient as they fail to meet stringent tests of safety and effectiveness. In average it takes a NOK 4 billion investment before the patients get access to the new medication. One of MSD's latest innovations is the anti asthma drug Singulair(r). Due to Singular's unique mode of action, many asthmatics can be relieved from using cortico-steroids. The research that started in the late 70's resulted in Singulair 20 years later. This is risky. No bank which would offer funding with a payback solely dependent on the outcome of one specific product, with the first 20 years interest and mortgage free. Singulair would never been developed if not MSD had the financial solidity to afford this investment.

However, regardless of the myths that plague the pharmaceutical industry, we have a specific problem in Norway. The problem is access - or to be more precise: Delayed access to innovative medicines. The Wall Street Journal article of June 21, 2000 that "In Europe's prescription-drug war, Belgium and Norway have emerged as particular trouble spots." They were cited in a recent report by the US Trade Representative's office for extreme delays in the approval of pricing and reimbursement of new drugs."

I can not speak for Belgium, but in the case of Norway the reason is obvious. Reimbursement decision - or access for the patient - has become increasingly complex and political. Whether or not Norwegians should have access to break-through medicines (new "classes" of medicines) is a decision taken in Parliament once a year, when they vote on the next year's budget. Before the reimbursement application reaches the Parliament, a number of stakeholders within the Ministry have evaluated it. The whole process takes years.

So, what should we do? I dare to state that there should be one common goal: Insist that new medicines be made available for Norwegian consumers in line with the rest of Europe. I believe we should look for solutions at two levels: procedural and financial.

Procedural:

This should be the simplest. As the drug budget today is dealt with at many levels and extensive lobbying and PR is used to make new products available for the consumers, there should be one committee (non- political) consisting of four stake holders: Ministry, patient groups, medical profession and industry. Their grant should also include the authority to exclude older products from the reimbursement list to give "headroom" for
(continued on page 7)

SiNor & PwC Form a New Business Relationship - Thanks to AmCham Connection

Who would have thought that two fellow Americans would meet at an AmCham Thanksgiving Dinner Dance and walk away forming a new business relationship. That's exactly what happened in November 1999, when Davor Sutija, President and CEO of SiNor AS, met André Demarest, formerly with PricewaterhouseCoopers ("PwC"). As André explains "both us went just expecting to have a good time, however, discussing what you do for a living is something Americans can't help but do and sometimes one thing leads to another."

At the gathering, Davor had a chance to discuss with André the SiNor business concept, which is to manufacture silicon ingots in Glomfjord, Norway. It is a unique location in the northern part of the country near Bodø. However, SiNor believes that the isolated and cool climate of this location actually provides certain advantages in producing the purest form of silicon ingots. The company is privately held but is growing and may even expand internationally. You would expect this type of company to be audited by a Big 5 accounting firm, such as PwC. Much to André's surprise, Davor explained that SiNor was still using a local auditor although switching to one of the Big 5 was something he was considering. Although Big 5 firms are more expensive, the benefits include having their resources accessible on a global basis so a growing client can be assured that the right level of service in audit and tax, for example, can always be provided. André went on to explain his special line of service with PwC, which included assisting clients with raising capital in the global capital markets. Of course, an initial public offering in Norway or the U.S. seemed quite appealing to Davor and may be an option for SiNor someday. However, the more immediate point he realized was the importance of engaging an auditor such as PwC which could grow with his company and provide the right level service whenever needed.

After the gathering, André and Davor agreed to meet for lunch in early 2000 to discuss further the mutual benefits of potentially working together. The lunch meeting which followed enabled both sides to ascertain that there was in fact a good fit. Shortly thereafter,

(continued from page 6)

reimbursement of innovations. This would make the reimbursement system more dynamic and enable the Norwegian Government to meet the commitment in the EEA Agreement to reach price and reimbursement decisions within the required 180 days.

Financial:

This one is more sophisticated. Several European countries, including Norway, have a tight price control on new medicines. This control is maintained by the so-called "reference price system" - a system which the payer (Government) fixes a reimbursement level to the lowest available alternative. Any additional costs to be charged the patients. The experience from Norway is that the system is extremely bureaucratic and that the main part of the savings has unintentionally been charged the patients. These systems also tend to freeze prices unnecessary and do not allow competition to influence prices. Last year the National Insurance Scheme published a report documenting that NOK 65 million of the saved NOK 110 million derived from increased patient payments.

I believe the answer must be some level of deregulation. In Norway over the last years, we have deregulated telecommunication, energy and drug distribution. The results of these processes are equal: Better prices and better quality for the

André worked with his colleagues in making an audit proposal, which Davor considered with his company's board of directors. In June 2000, Davor gave André the good news that SiNor had accepted the proposal and formally elected PwC as its new auditors. A new business relationship was formed and already on its way. It actually wasn't long before SiNor came to PwC for help in preparing its prospectus as the company was seeking to raise capital with private investors in Norway. Per Erik Pedersen, the PwC audit partner, and his staff came to SiNor's aid and worked well with the client toward its successful private placement of shares. Davor has also commented that "you certainly have more credibility with potential investors when they know PwC is involved and auditing your numbers. It's been a true benefit to work with PwC and I'm looking forward to continuing with their services."



André Demarest, AmCham treasurer, formerly with PwC (l) and Davor Sutija, President and CEO of SiNor AS (r)

André adds "I'm glad to see that the business relationship is really working out between PwC and SiNor. At the end of the day, it's really thanks to AmCham because if neither Davor nor I attended that Thanksgiving Dinner Dance, who knows if such a relationship would have ever developed. At the same time, I don't think anyone should go to an AmCham event with the idea of selling their business to everyone else. I like the word networking because it's a better way of explaining what should happen, which is that people get together, be themselves, have a nice time and maybe, just maybe, you'll meet someone who has a mutual interest in business where both sides can truly benefit. However, just like Lotto, you've got to be in it to win it, so the key is to attend the AmCham events and see what happens".

consumers. Early next year the pharmacy monopoly will cease as that market will be deregulated with better service and prices as the planned outcome. In the same spirit the drug market should be deregulated.

My prediction is that we will see a rapid and significant price drop on the products where the patent has expired, and there is competition from copy products (generics). This because the price control that artificially has brought down prices at branded medicines also keep prices on the generics at significantly higher levels. Why not take advantage of the competition that can drive down generic prices and give financial room to pay for the innovations?

Conclusion:

Both drug prices and consumption of medicines in Norway are well below the average in Europe. Policy and decision-makers should put more focus on how to improve consumer's access to innovative medicines. This will not necessarily drive costs through the roof. If they take the challenge to exploit new ways to improve access, I can guarantee that the research-based industry will play its role together with other stakeholders to find good solutions to ensure that the right medicines get to the right people without delay. Norwegian patients deserve nothing less.

Internship Program Catches On and Moves Forward

Beginning in February 2001, there are now 3 separate organizations offering part-time positions to American students in Oslo. In addition to PricewaterhouseCoopers ("PwC"), Transport-Provider and the American Chamber of Commerce ("AmCham") are now realizing the benefits of an internship program.

The students are primarily on an exchange program with BI in Oslo for the spring semester; however, they have sufficient time and eagerness to start using their skills in the real world. Jessica Swan, a finance major from the University of Wisconsin, is currently interning at PwC, which is continuing for the 4th semester with the program. Elizabeth Fanning and Krista Koutsis have business-related majors from the University of Illinois and are currently interning at AmCham and Transport-Provider, respectively. In the Fall of 2000, both of them were first made aware of the program through Erin Brewer, a fellow student. Erin was not only an exchange student with BI in

international securities transactions of major clients based in Oslo. Liz is working for Barbara Buli at AmCham and is providing much needed assistance in terms of day to day administrative tasks as well as preparation for periodic events such as the annual meeting. Krista reports directly to André Demarest, C.F.O. of Transport-Provider, and has been his right-hand person when it comes to meeting the accounting and finance related demands of a start-up company.

André states that "the internship program has been a perfect solution for me and my company since part-time employees with the right skill set represent a highly efficient and effective resource. Krista has been a real asset & I believe she has gained a lot of good experience in the process. Her assistance covered concrete areas such as the preparation of investor presentations using PowerPoint, consolidation worksheets using Excel and the audited financial statements using Word. I'm more than satisfied with the results of the program and I fully expect Transport-Provider to continue with its participation in the future."

How can other companies take advantage of this program? André Demarest, who is also the treasurer of AmCham, is the direct contact person and liaison between BI, which represents the students, and the companies, which are potentially interested in hiring interns on a part-time basis. So far the program has been limited to American students at BI and U.S. related organizations in Oslo.

What are the future prospects of this program? It is possible that the program can eventually reach out to other foreign students and companies in Oslo. This possibility will be explored further by the Fall of this year. In addition, André Demarest will be attending a Global Summit with the other AmChams in Washington D.C. during May and will be participating in an Executive Round Table in Oslo regarding human resource issues later this Fall. At such events, he will be offering his insights on how internship programs were successfully implemented in Oslo as well as how companies can develop a global program, which can become a part of their overall recruiting strategy.

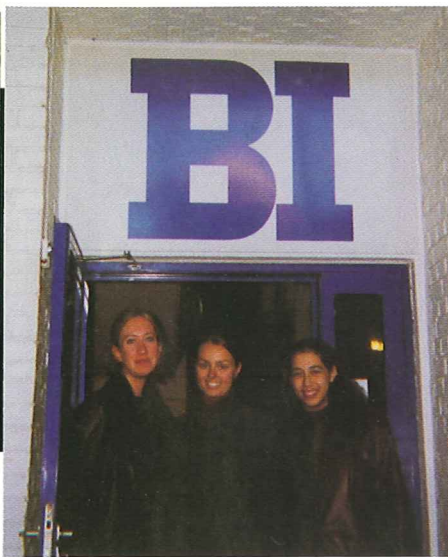
André strongly believes that "a global internship program may even become a necessity for some companies trying to recruit the best and brightest students. If your competitors have a program and you don't, good luck trying to convince one of their interns to work for you after graduation. A very high percentage of these students will make the safe choice and accept a full time position where they've previously interned. Although American firms realize this fact and have established programs in the U.S., they have still missed the boat with the overseas exchange students. It's quite ironic since these students are already on the road to becoming leaders in international business as their study abroad experience is the first step in preparing them to deal with cultural diversity issues. It's just a matter of time before multi-national companies start tapping into this pool of vital resources, because to do otherwise means taking the real risk of having to compete against them in the future."

Oslo during the spring of 2000, but also an intern with PwC during that spring and summer. Of course, Krista and Liz were very excited about studying overseas, however, they became particularly interested in Oslo after hearing Erin talk about the internship possibilities.

Monica Hammer, International Coordinator at BI, has commented that "the internship program is an excellent way for BI to profile itself to Americans interested in studying business abroad. Now we can offer an added bonus to the cultural and educational experience of attending our business school in Norway."

What are the expectations of the interns? Each of them may be asked to work up to 16 hours a week but achieving the right balance between work, school and a social life should be a realistic goal. Success in this respect depends on both the intern along with his or her immediate supervisor actively communicating and agreeing to be flexible in order to address mutual needs. All three of the positions require a command of the English language as well as proficient skills in using computer software such as Word, Excel and PowerPoint. Accordingly, American students with business related majors from top U.S. universities have the right background and make a good fit for the positions being offered.

Jessica has had the opportunity to carry out entry-level responsibilities for a PwC senior associate on the audits and



Liz Fanning, Jessica Swan and Krista Koutsis (l. to r.), American students on a foreign exchange program with BI in Oslo

All-American Thanksgiving Dinner Dance - 2000

November 18, 2000 at the Bristol Hotel, Oslo

It is our pleasure to announce that the TGDD-2000 was a huge success! 131 members, guests and visitors from the United States NACC's Chapters enjoyed a sumptuous meal at the Bristol Hotel. The Octet "Cool It" with its great "sound" catered to the dancing delights of one and all. In the midst of this fabulous combination of good food, music and merriment was our Ambassador Ms. Robin Chandler Duke. To our delight she joined us for the evening and graciously accepted to say a few words to our guests. With her wit and utterly charming style she delighted us with anecdotes from her interesting and varied career and we felt privileged to have a glimpse into her fascinating life.

Of course there isn't an event in the world that runs as smoothly as this one did without Sponsor's and this year was no exception. We are grateful to SAS, Bristol Hotel, Continental Hotel, Arcus

Wines and Erik Haugen ASA for their donations. Our Grand Prize of two round-trip tickets to the U.S., and donated by Mr. Oystein Stoltenberg of SAS, were won by fellow member Mr. Eric Mandeville of LaserCom Nordic AS. All in all our guests responded energetically to the prizes presented for the lottery and ticket sales boomed! We also wish to mention our volunteer committee Thor Bjorn Moy and Val Rubottom for their help. An honorable mention to Edna Gordon who at the last minute chipped in and helped wrap the beautiful baskets full of Italian delicacies of fruit, bread, cheese, pasta and fine wines. Last but not least a special "Thanks" goes to Ms. Kari Donahue of NACC Chicago for arranging the trip on the American side of the Atlantic! We truly had a wonderful evening and for this we were thankful. We look forward to next year's celebration.



Dieter Schaubert, Managing Director of AmCham (l), and his right arm Barbara Buli (r)



Ambassador Robin Chandler Duke (l), Tony and Edna Gordon



The Cool-It Octet



AmCham Members Elisabeth Chirinian and Jörgen Zaréus



Our U.S. connection Kari Donahue with fellow American travellers.

Executive Roundtable: Online Trading - Virtual Wealth

The American Chamber of Commerce Executive Round Table Conference Online Trading - Virtual Wealth was held at DnB's Auditorium at Aker Brygge on September 12, 2000. The



**Jannick Lindbæk,
Chairman of the Board, DnB**

conference was opened by Mr. Jannick Lindbæk, Chairman of the Board of DnB, and introductions were made by the previous President of the American Chamber of Commerce, Mr. Rolf Røding.

The theme of the conference encompassed many issues affecting both the so-called "new" economy and the "old" economy, and in his opening presentation, Mr. Magne Solberg, Managing Director of E*Trade, explored the ways in which companies in the new economy differ from companies in the old economy. His conclusion was that the new economy was really only a new stage on the

continuous development of all industries, and that old economy companies were now refocusing to be able to participate in the creation of virtual wealth with the technology of the new economy companies. Mr. Audun Bø of DnB Markets then addressed the Conference participants regarding DnB's approach

to virtual wealth, focusing on on-line trading and the new range of services and possibilities this provides for DnB and its customers.

After a break for coffee and refreshments, Mr. Mike Beeston, Managing Director of Razorfish U.K., who had flown in from London to address the Conference, gave an inspiring presentation concerning wealth management and the customer centric market space. Ms. Catherine Eikland of Advokatfirmaet Steenstrup Stordrange then presented an overview of the legal issues in a wired economy, after which Conference participants received a slightly different perspective on new economy issues from Mr. Olav Soleng, State Secretary at the Ministry of Trade and Commerce, who discussed how governments cope with the regulatory challenges of E-commerce.

The Conference concluded with a lively panel discussion, moderated by Mr. Otto Haug of Geelmuyden.Kiese, where panel members fielded a wide range questions from Conference participants. A reception rounded off the afternoon, providing the opportunity for further discussion of specific issues between panel members and Conference participants.

Catherine Eikland, reporting



Breakfast Briefing: The New Electronic Marketplace

The Breakfast Briefing held at the US Embassy on 17 October, "Establishing a new Electronic Marketplace for the Public Sector" featured a presentation by André Hoddevik, Project Manager for E-commerce in the public sector with the Government's Administration Service on the efforts to establish an electronic market place for the Public Sector. The purpose is to establish a national gateway for everyone who has responsibility for procurement of goods and services for the public sector and conversely, for all those who want to be suppliers to the public sector. Functionally, the Marketplace shall serve as the buyer's procurement system and the seller's order system. The government's overall aim is that by the end of 2003 fifty percent of all public procurement transactions - or twenty percent of the value of procurements shall be conducted through the Electronic Marketplace. The turnover of these transactions would amount to some NOK 40 billion per year.

Following Hoddevik's presentation, Erik Hoftun from Geelmuyden-Kiese addressed the challenges that confront companies who want to participate in this Marketplace in presenting their products in electronic form and integrate their transactions with the processes of the Marketplace. Hoftun pointed out the need to devise strategies and forms of communication that are adopted to the realities of the new Marketplace.

Success of TrondTech 2000 Demands a New Event for Oslo

If you're an aspiring entrepreneur in the high-tech business, TrondTech 2000 was an event not to be missed. The conference committee of the NACC, chaired by Steve Peri, a U.S. attorney, did an excellent job in lining up the right speakers to discuss the process of taking a Norwegian high-tech start-up to the global marketplace.

There were up to 130 participants which included a number of AmCham's corporate members, representatives from the international investment community and students with hopes and dreams of starting their own high-tech company. This one day event provided a better understanding and a useful checklist of steps, including hurdles, which must be met and overcome in order to go from having a great idea and establishing the right corporate structure to going public and raising big money in the global capital markets.

Trondheim was selected as the location as its top university (NTNU) is gaining a well earned reputation as Norway's center for technological innovation. In this regard, NTNU is being supported by the SINTEF Group, which is a non-profit organization that performs contracted research and development for not only industry but also the public sector in the fields of technology, medicine and the natural and social sciences. Aage J. Thunen, head of Teleco & Informatics at SINTEF in Trondheim, spoke at TrondTech 2000 and explained that "SINTEF operates in close collaboration with NTNU. Our experts cooperate in projects and share laboratories and equipment. Together, the two institutions form a center of expertise of high international standard. Our task as a foundation is to ensure that knowledge is used to promote sustainable value creation in society. The results of SINTEF's work should be reflected in the competitiveness of Norwegian industry and the productivity of the public sector."

Two success stories which came out of the NTNU and SINTEF relationship were Clustra and Fedem Technology. Clustra provides database technology that is a nonstop, scalable, high-performance data management solution for telecommunications and Internet applications while Fedem Technology provides improved physical perception of mechanical products and concepts through innovative simulation software.

Karl Kingsheim, CEO of Clustra, and Oddvar Solemsli for Fedem gave enlightening presentations on their experiences in getting both of these companies off the ground. In terms of some of the highlights, Mr. Kingsheim discussed the difficulties in meeting payroll on occasion and avoiding the temptation of selling out or giving up control to a larger company. He proudly announced that today short-term liquidity is no longer an issue as venture capitalists with deep pockets are calling him and not the other way around.

Who are these venture capitalists or high stakes gamblers? Alexander Vik, CEO of Xcelera, is one of them although he would probably prefer to be described as a strategic investor. At TrondTech 2000, he gave the audience more insights into the thought process behind his Company's decision to invest in a particular high-tech start-up. First and foremost, Xcelera focuses on global Internet infrastructure companies and European Internet businesses. As a strategic investor, Vik's

company promises to bring strong European contacts and a seasoned management team. At the same time, he is not interested in taking control over these Internet start-ups, as the founders are expected to take overall responsibility for running the business. Accordingly, Xcelera typically accepts a minority stake with a board seat in such companies at least to assure itself of being able to significantly influence their long-term strategy.

So what's the payoff for investing in these risky ventures? The next step is typically a private placement with a major investment bank, such as JP Morgan Chase, and/or the initial public offering ("IPO") in the global capital markets, such as the NASDAQ in the U.S. At TrondTech 2000, Florence Kimm, Director with JP Morgan Chase, gave an informative presentation regarding the private placement process where her company is the leading player. For example, she explained that a major investment bank will consider investing or lining up institutional investors to buy into a high-tech company if it has the potential for expanding internationally and is one financing step away from breaking-even or becoming profitable. The true goal for JP Morgan Chase is to invest in a companies that are real candidates for an IPO.

The IPO along with high-flying stock prices sounds wonderful to all investors, however, not all of these companies are truly ready to go public even when market conditions are ideal. Why not? Fredrik Melle, Partner with PricewaterhouseCoopers, shared his experiences at TrondTech 2000 with respect to the missteps of clients who underestimated the accounting and other regulatory challenges surrounding an IPO in the global capital markets.

For example, a Norwegian company may think it's ready to go public on the NASDAQ, however, financial information must be converted and fully disclosed in accordance with U.S. accounting rules. In addition, such information needs to be reviewed and approved by the Securities and Exchange Commission (the "S.E.C."), which regulates the U.S. exchanges and protects U.S. investors. This process can be a time-consuming and costly one if not properly managed, so Mr. Melle advised starting the process sooner rather than later in order to better ensure that a Norwegian company is, in fact, ready to go public when the market is right.

Other highlights from TrondTech 2000 included panel discussions where Henning Lassen, an analyst with Norse Securities, among others discussed how high-tech start-ups could maximize value and attract international investors. In addition, Terje Arntzen, attorney with Technology Law Partners, among others discussed the practical issues of doing business abroad.

For example, Mr. Arntzen discussed the different alternatives and consequences when establishing an international corporate structure. One of his key points included the sad but true reality that tax advantages can be gained by setting up a parent company and moving top management out of Norway. As a result, you could see great ideas coming out of NTNU and SINTEF such as Clustra, however the brainpower and identity of this company could be moving out of Norway for tax purposes. *(continued on page 13)*

Executive Roundtable: Norwegian Oil & Energy Policy

On December 15, 2000 the Norwegian Government promulgated its Proposition to Starting on the privatization of Statoil and the disposition of the State's Direct Financial Interest (SDFI) in the petroleum activities on the Norwegian Shelf. This proposition had been long expected and came out only after a long and

arduous debate within the Labor Party. As expected the proposition was a compromise but it has at least opened up for a much-needed modernization of Norway's petroleum policy. Following up on the successful Executive Round Table (ERT) on Petroleum & Energy the previous year, AmCham provided the forum for the Minister of Petroleum to meet with Executives from the petroleum industry as well as the service industry and the financial community to exchange views on the cabinet's proposal.

Hestenes from the Federation of Norwegian Manufacturing Industries addressed the need for providing better incentives for the international oil companies in order ensure that the Norwegian shelf remained competitive and provided the necessary home base for Norwegian industry's efforts in reaching customers in other global petroleum provinces.

Following the presentations a lively panel debate led by Hans Henrik Ramm with challenging interventions from the audience brought out further points in support of making available larger interests "reserved" for Statoil. Elizabeth Berge (Statoil's SDFI manager) supported these statements by pointing out the potential for added value creation by better portfolio management through rationalization of geographically split-up interests. It was apparent that these arguments were well understood by the Minister as he was ending the conference with the statement that the further political process would prove that the Proposition was only the first step in such a development. For this statement Minister Akselsen was presented with AmCham's "cutting edge" a miniature Viking sword!

Special thanks go to Andersen Legal for having made their excellent conference facilities available for this important forum.



At the ERT on January 9th 2001, Minister for Petroleum & Energy Olav Akselsen presented the cabinet's proposal to an audience consisting of executives from all oil companies active on the Norwegian continental shelf (with the exception of Norsk Hydro who's senior management was abroad on a long scheduled team building exercise), as well as representatives from other relevant branches of industry and finance. In addition Conoco's Executive VP Exploration Production, Rob McKee gave a presentation on Conoco's experience with its IPO following Conoco's split-off from DuPont. McKee pointed out the similarities of Statoil and Conoco in size of capital employed and addressed the issue of market expectations for such an IPO. Rolf



Mark Your Calenders for the Next Scheduled Event:

Event: Breakfast Briefing
Topic: Sports & Business
 Lessons to be learned
Tentative Date: August, 2001
To be held at: The Shipping Club
 Haakon VII's gt. 1, Oslo
Time: 8:00 a.m. - 9:30 a.m.



Past Events

Event: Breakfast Briefing
Topic: Anti-Globalization Activism: What is ATTAC? It sounds aggressive!
Guest Speaker: Øystein Dahle, Chairman of the Norwegian Tourist Association and Vice Chairman of the World Watch Insititute
Date: April 25th, 2001
Held at: The American Embassy

Event: Annual General Meeting
Topic: "Corporate Social Responsibility: What is it? What are the driving forces behind it?"
Guest Speaker: Ms. Janne Haaland Matlary Professor of International Affairs
Date: March 14, 2001
Held at: The Shipping Club

Event: Executive Round Table
Topic: Norwegian Oil & Energy Policy: "Changes in the Norwegian Oil Industry Structure"
Guest Speaker: Mr. Olav Akselsen, Minister of Petroleum & Energy
Date: January 9, 2001
Held at: Andersen Legal - Auditorium

Event: All American Thanksgiving Dinner & Dance
Date: November 18, 2000
Held at: Bristol Hotel, Oslo

Event: Breakfast Briefing
Topic: "Establishing a new Electronic Marketplace for the Public Sector"
Date: October 17, 2000
Held at: The American Embassy

Event: Annual Fall Reception
Date: September 18, 2000
Held at: The American Ambassador's Residence

Event: Trondtech 2000
Topic: Bringing Norwegian High-Tech to the Global Marketplace - An American Perspective
Date: September 14-16, 2000

Event: Executive Round Table
Topic: E-Business: "Online Trading - Virtual Wealth"
 Co-hosted by AmCham and DnB-Bank
Date: September 12, 2000
Held at: DnB Auditorium, Aker Brygge

(continued from page 11)

Will these high calibre speakers honor us with an encore presentation in Oslo anytime soon? Based on the success in Trondheim, AmCham is actually planning to host a similar event in Oslo during the spring of 2002. Since there are a wide variety of industries represented in the nation's capital, such event will be about how to take a Norwegian company in general to the global market place.

Following the IPO of Telenor in December 2000 and the upcoming one for Statoil, AmCham expects a riveting discussion on the lessons learned from these privatizations. André Demarest, AmCham treasurer and Program Committee member, is providing his full support to the event and goes onto to say that "I found TrondTech 2000 to be a very beneficial experience.

As the CFO of Transport-Provider Ltd, which is an Internet related start-up company, I clearly benefited from listening to the insights of the top notch speakers. I took a lot of notes and I'm taking their advice to the extent it makes sense at my company. If there is an AmCham member or non-member who is even slightly interested in the subject matter, I would highly encourage them to attend the next event. It will be a one day event filled with a lot of experts who can save you time, money and aggravation because you'll have the chance to pick their brains all at the same time. The best part about it is you're getting 8 hours worth of advisory services for the price of 1. Since this subject matter is of keen interest to me, I'm delighted to have the chance to work with Rebecca Selvik from JP Morgan Chase and Paul Frikstad from Burson-Marsteller in planning and organizing a new event for Oslo next spring."



Steve Peri, organizer of TrondTech, and other attendees.



Alexander Vik with NTNU students at the conference.

Upcoming Events

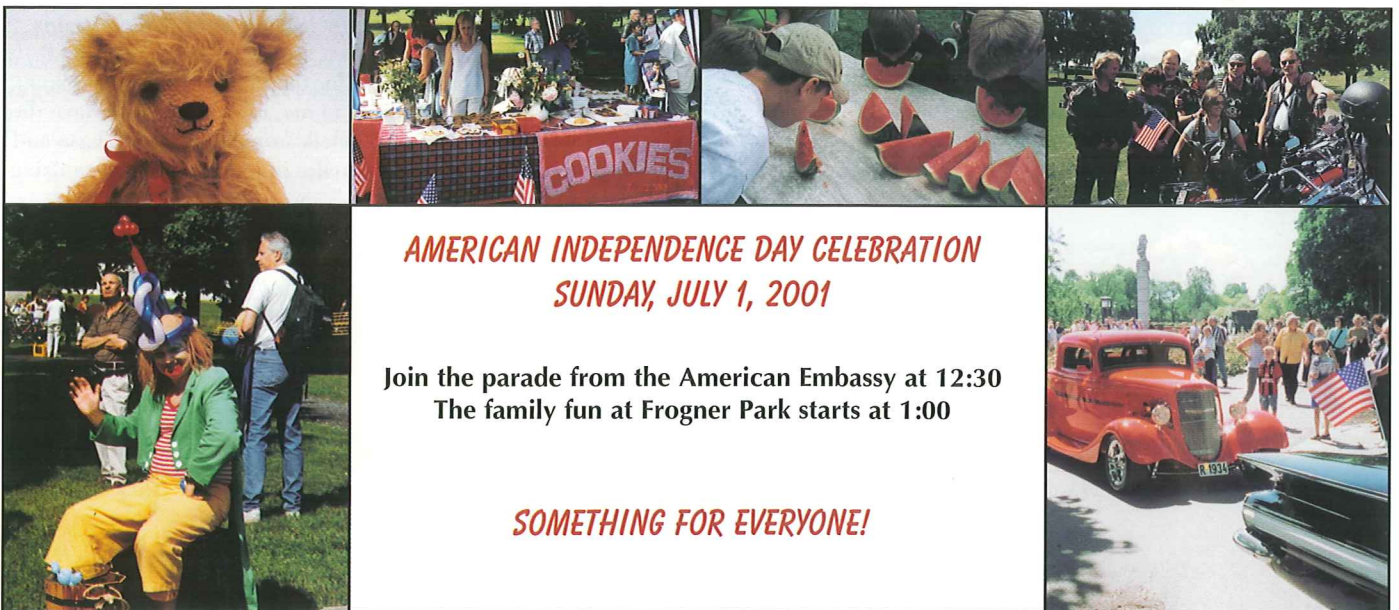
Event: Breakfast Briefing
Topic: Sports & Business - Lessons to be learned
Tentative Date: August, 2001
To be held at: The Shipping Club
Haakon VII's gt. 1, Oslo
Time: 8:00 a.m. - 9:30 a.m.

Event: American Independence Day Celebration
Date: Sunday, July 1, 2001
To be held at: Frogner Park, Oslo
Time: Parade from American Embassy begins at 12:30
Festivities in Frogner Park begin at 1:00

Event: Breakfast Briefing
Topic: The Political Situation in Norway: Before the Election
Date: September 4th, 2001
To be held at: The Shipping Club
Haakon VII's gt. 1, Oslo
Time: 8:00 a.m. - 9:30 a.m.

Event: Breakfast Briefing
Topic: The Political Situation in Norway: After the Election
Date: September 18th, 2001
To be held at: The Shipping Club
Haakon VII's gt. 1, Oslo
Time: 8:00 a.m. - 9:30 a.m.

Event: Breakfast Briefing Special Series
Topic: Lobbying in Norway
Dates: October 9th, 2001
October 16th, 2001
October 23rd, 2001
To be held at: The Shipping Club
Haakon VII's gt. 1, Oslo
Time: 8:00 a.m. - 9:30 a.m.



AMERICAN INDEPENDENCE DAY CELEBRATION
SUNDAY, JULY 1, 2001

Join the parade from the American Embassy at 12:30
The family fun at Frogner Park starts at 1:00

SOMETHING FOR EVERYONE!

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Ambisjon Prosjektledelse AS, a consulting company in the Ambitiongroup, has existed for 7 years and represents more than 20 years of IT-project leadership experience.

OUR VISION AND MISSION

Our vision is that Ambisjon becomes known for its innovative management solutions to securing successful implementation of complex IT projects. Our mission is to secure implementation of complex IT projects in accordance with defined objective setting, through providing the clients qualified skills.

MARKET FOCUS

We believe that our contribution to managing development-projects successfully, are most valuable with partners who seek new ways of doing business, due to the fact that the business rules are changing dramatically.

SYSTEM INTEGRATION AND RISK MANAGEMENT

In this mature market, there are many standard system vendors. Despite this fact, most customers face complex integration and customization projects. This fact is unfortunately often first experienced during the late stages in the project. No matter the experience of the vendor, it also takes professionals on the customer side of the table to address and control the implementation of real requirements. Our objective is to lead the customer safely and professionally through this process, leaving the customer in control of the change process, though emphasizing the need for close relations between the customer and the vendor(s).

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The bank/insurance market: Christiania Bank og Kreditkasse; Continuum Sics; Gjensidige Bank, Kredittkort; Gjensidige Skade; Sparebanken NOR (Union bank of Norway).
The finance market: Gjensidige Bank, Kredittkort; Sparebanken NOR (Union bank of Norway); OM Technology.
The energy market: Alliansen Informasjons systemer; Infosynergi; OM Technology; Energy Systems
The telecom market: Telenor Mobil; Telenor Mobile Communication; Enitel; Telegate; Post- og Teletilsynet.
Other markets: Advokatselskapet Selmer & Co.; Rikshospitalet; Rikstrykdeverket; Teknometri.

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