I. Introduction

As one of the largest professional organizations in Philadelphia, whose 13,000 members are collectively a major contributor to the economic health of this city, the Philadelphia Bar Association – the oldest association of lawyers in the United States – encourages the city’s goal of improving Philadelphia’s business climate to attract international investment. Increases in international investment and international business activity in Philadelphia will inevitably trickle down and create demand for our members’ legal services thus positively affecting the Philadelphia legal community.

There are several “big ticket” investments by which this city can increase its global profile and attract more foreign investment that I trust your other invitees have addressed prior to my testimony. Ideas such as improving the transit infrastructure and changing our city’s tax base to remove the disincentives for doing business in our city are not new to this discussion. As we all know these are initiatives requiring significant investment that the city cannot tackle overnight. However, there are some simple and concrete ways that the city can improve its global profile in the short-term. Today I would like to focus on our bar association’s work in improving Philadelphia’s global profile, including fostering relationships with attorneys from foreign jurisdictions, as these relationships often form the foundation for future business
opportunities. I would also like to mention some nationwide legal initiatives that, if adopted here, could open our legal market somewhat to foreign-trained attorneys.

II. Improving Philadelphia’s Global Profile

Due to our city’s role in the founding of this country we have a unique opportunity to set ourselves apart from other east-coast cities for the purposes of attracting global visitors and raising our international profile. The Philadelphia Bar Association wants to be a partner with the city and others in this investment in Philadelphia. One step we have made toward this is joining the Global Philadelphia Association, an umbrella organization whose member groups share a collective drive to enhance the region’s global profile. One idea that Global Philadelphia has put forward, and I support, is for Philadelphia to promote itself by becoming a UNESCO World Heritage City. This opportunity is available to Philadelphia by virtue of the location of Independence Hall, a UNESCO World Heritage Site. The minimal annual cost for maintaining observer status [$5,000] is dwarfed by the marketing potential of Philadelphia being the only World Heritage City in the United States.

III. Fostering Relationships with Foreign Attorneys

It has been my experience that when Philadelphia lawyers and lawyers of foreign jurisdictions interact, that interaction often leads to opportunities to work collectively on an international scale toward common goals, as well as creating the foundation for future business opportunities. The Philadelphia Bar Association facilitates these interactions by hosting international legal minds, such as Judge Sang-Hyun Song, President of the International Criminal
Court (ICC), and Patricia Viseur Sellers, Special Advisor to the ICC Office of the Prosecutor who visited us earlier this month.

We also collaborate with foreign bar associations. The Philadelphia Bar Association is a member of the World City Bar Leaders Conference, a biannual gathering of the world’s largest city bar associations. In recent conferences held in Tokyo and Montreal, we showcased our city’s Commerce Court, our seat as a major local arbitration center, the First Judicial District’s efforts on mortgage foreclosure and our sophisticated legal practices. We also explored the challenges of conducting business in the United States with our 50 states, territories and separate federal licensing systems. By standing alongside London, Tokyo, Paris, Seoul, Ho Chi Minh City, Brussels, Antwerp, Montreal, New York, Chicago and others, we displayed our talents and learned of the trends sweeping global legal markets. Philadelphia was selected to host this annual conference in 2014, and we look forward to the opportunities this will create to showcase our city and further expand our dialog on foreign business opportunities.

The Philadelphia Bar Association also has had a sister bar agreement with the Lyon Bar Association in France since 1997. One of the most successful aspects of this relationship has been the annual exchange of young lawyer and law student interns between the two cities. Every year, three or four young lawyers or law students from Lyon will typically spend a six-month internship at a host Philadelphia law firm. Past interns have found the program invaluable in learning more about how American lawyers and business leaders think. From the Philadelphia host law firm’s point of view, the program provides a good way to develop international contacts and perspective — at virtually no expense, since hosts do not compensate the French lawyers. For Philadelphia lawyers who are selected to go to France, the internship offers a means of gaining international and EU experience during a time of increasing awareness of the global
environment. Past participants have brought back with them significant business as well.

We continue to reach out to our colleagues overseas and are currently evaluating whether to launch exchange programs with Montreal and China. We keep our members informed as to breaking international law with panel discussions and information sessions organized under the auspices of our International Law and International Business Initiative Committees.

It is in the interest of the city to likewise promote cross-cultural interactions, whether by hosting international interns in city government offices or incorporating this type of global exposure into a comprehensive plan for development. We currently run many of these programs with limited or no funding and look forward to ways we can work collaboratively with the city to expand and improve these programs.

**IV. Nationwide Initiatives to Open the Legal Market to Foreign-trained Attorneys**

Another idea we might want to discuss is whether Pennsylvania should adapt its admission procedures to make it easier for foreign-trained attorneys to take the bar exam and become admitted in the Commonwealth. There is an argument to be made that by so doing, we would attract more international attorneys to LLM programs in Philadelphia and introduce them to the city at an early stage in their career. Attorneys who develop a relationship with our city’s legal community would presumably be more likely to recommend Philadelphia as a host city for future business initiatives and recommend Philadelphia firms for international work.

We may also want to consider whether the increased presence of foreign attorneys as in-house counsel would benefit our community. The American Bar Association recently adopted changes to model rules that will facilitate the participation of foreign trained attorneys in the U.S.
legal market. Of particular interest is the change to the ABA’s Model Rule for Registration of In-House Counsel to allow a foreign lawyer who is employed by an organization and who maintains a continuous presence in the licensing jurisdiction to serve as in-house counsel providing advice on the law of the jurisdiction where he or she is admitted. The foreign attorney would be prohibited from providing advice on the law of any U.S. jurisdiction except on the basis of advice from a U.S. attorney. The foreign in-house counsel would be required to comply with bar dues payments, client protection fund payments, fulfillment of continuing legal education requirements and notification to disciplinary counsel.

Currently the Pennsylvania Bar Admission rules on in-house counsel do not provide for admission of foreign lawyers as in-house counsel.¹ As the rule is presently drafted it uses language that implies that graduation from a United States law school is required. If ordered by the Pennsylvania Supreme Court, a change in that language could result in allowing foreign lawyers to receive the limited in-house license. Nevertheless, those licensed under the rule are strictly limited in their activities and may not appear in court on behalf of their employer without a special admission for a particular case. Furthermore, the rule governing admission of foreign attorneys² unambiguously requires such individuals not only to have engaged in the practice of law in their native jurisdictions for five of the past eight years, but also requires that before being allowed to take the Pennsylvania Bar Exam, they must first take 30 hours of instruction in certain prescribed areas of the law. Such education can take up to two years to complete.

Pennsylvania also has a rule for practice of law under the category of “Foreign Legal Consultant.”³ While this rule does license foreign admitted attorneys as “Foreign Legal Consultants” they are limited to rendering legal services in Pennsylvania regarding the law in the

¹ Pennsylvania Bar Admission Rule 302.
² Pennsylvania Bar Admission Rule 205.
³ Pennsylvania Bar Admission Rule 342.
country to which they are admitted. In addition, the rule has significant restrictions that prevent such an individual from performing any legal services regarding Pennsylvania Law. Again, additional education is required should somebody licensed as a foreign legal consultant wish to take the Pennsylvania Bar exam.

Thus, while a presence for foreign attorneys is permitted in Pennsylvania at this time, the unfettered right to practice law (and presumably become a full participant in the legal community, increasing their ability to continually draw clients and thus international business to our region from their home countries), continues to be tied to additional education and the need to have practiced law in their country of origin for five of the past eight years. This can result in significant financial hardship to the foreign lawyer who wishes to live and work here. Currently New York is an attractive jurisdiction for foreign law students due to its allowance of foreign-trained attorneys to take the New York bar exam without the automatic requirement of additional legal education, or five years of practice in the home jurisdiction, both of which are necessary in Pennsylvania. One wonders how much of New York’s international business market is attributable to the presence of foreign attorneys who are able to become full-fledged members of its legal community earlier in their careers. Philadelphia is at a competitive disadvantage in recruiting and employing foreign attorneys who draw international clients to New York rather than to Philadelphia. It remains to be seen whether the Supreme Court of Pennsylvania – with the exclusive power to regulate the admission to the bar and practice of law in Pennsylvania – will make any changes to Pennsylvania’s admission requirements for foreign lawyers and foreign law school graduates. In the meantime, the Philadelphia Bar Association will be studying the issue to determine what impact this could have on the Philadelphia legal community and will be deciding if it should support or oppose the Supreme Court’s adoption of such changes.
V. Conclusion

In conclusion, on behalf of the Philadelphia Bar Association I thank you for your time. The Association looks forward to being your partner in this initiative and work collaboratively to putting Philadelphia in a position of prominence on the international stage, where it belongs.