



WISCONSIN LEGISLATURE

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WISCONSIN LEGISLATORS DEMAND VOICE IN GLOBAL TRADE TALKS

World Trade Organization Negotiations Threaten Wisconsin Jobs, Utilities, and Services

Madison – Wisconsin State Legislators demanded that the Bush Administration give the state of Wisconsin a voice in global trade talks which may have a significant impact on state and local services and state authority over services. In a letter to the Office of the U.S. Trade Representative in Washington, the legislators called upon the Administration “not to enter into any binding commitments with regard to any service regulated by the State of Wisconsin, or Wisconsin local officials without consulting our attorney general and obtaining the consent of our governor and state legislature.”

Currently, the World Trade Organization (WTO) is involved in negotiations to open up U.S. private and public service sectors to competition by foreign companies. The negotiations of the WTO’s General Agreement on Trade in Services (GATS) are happening behind closed doors in Geneva. Documents leaked from these negotiations reveal the sweeping scope of issues now on the negotiating table. The issues include the privatization and deregulation of public energy and water utilities, postal services, higher education and alcohol distribution systems; the right for foreign firms to obtain U.S. government small-business loans; and deregulation of private-sector service industries such as insurance, banking, mutual funds and securities.

“The negotiations are delving into dozens of areas that are the charge of state and local governments, like water, energy, insurance, professional services, alcohol distribution and more, yet state and local officials are not being consulted,” said State Representative Mark Pocan (D-Madison). “We are calling upon the Bush Administration to give the state of Wisconsin a real voice in these negotiations, and are telling them that they cannot make any binding commitments with regard to Wisconsin without a full consultation with state officials.”

When the negotiations are concluded in 2005, the agreement will be presented to Congress in the form of a “Fast-Tracked” trade bill, meaning there will be no opportunity for Wisconsin’s Congressional delegation to amend the bill before it is voted on. If the state of Wisconsin does not have a voice during the negotiations, there is no later opportunity.

One proposal on the negotiating table is a special “GATS Visa” would allow U.S. companies to bring in service workers from abroad to perform contracts in the U.S. in any service sector. Such proposals would gut existing requirements that U.S. corporations first demonstrate a shortage of domestic workers in an industry and that foreign workers are not strike-breakers before special work visas can be issued for Foreign Service workers.

“In the first round of trade agreements, they came for the industrial workers, and Wisconsin has lost 70,000 manufacturing jobs since NAFTA and the WTO passed in the early 1990s. Now they are coming for the service-sector jobs. These negotiations threaten to undermine service sector wages and unions, and threaten to create a two-tier system of services employment based on the exploitation of imported service workers,” said David Newby, head of the state AFL-CIO. “Their agenda for radical deregulation and privatization could devastate our model system of regulated services and utilities, putting reliability, affordability, and jobs at risk.”

“The European Union is demanding access to U.S. municipal water drinking and wastewater utilities and to our largest public power customers. If the U.S. agrees to these demands, our water utilities and public power plants could be placed on the auction block for purchase by the highest bidder,” said Steve Watrous of the Wisconsin Fair Trade Campaign.

The WTO GATS agreement was first established in 1994 as one of the Uruguay Round Agreements enforced by the WTO. Since 2000, negotiators from the 100-plus WTO member countries have been engaged in closed-door negotiations at the WTO in Geneva to further expand the agreement to cover more service sectors. Called “GATS 2000,” these talks are being pushed by the United States and Europe on behalf of major multinational service-sector conglomerates. Since GATS is geared toward market access for foreign competitors, the agreement is hostile to regulation in general and in particular to the diversity of domestic regulations in the U.S. that vary from state to state. New terms of the agreement being proposed by Europe would allow federal, state and local regulations to be challenged as “barriers to trade” in the World Trade Organization if they are not designed in the least trade restrictive manner. Countries that lose challenges in the WTO must change their laws or face trade sanctions.