

January 17, 2003

MEMORANDUM TO STATE POINTS OF CONTACT AND THE INTERGOVERNMENTAL POLICY ADVISORY COMMITTEE (IGPAC)

FROM: Christopher A. Padilla
Assistant U.S. Trade Representative
for Intergovernmental Affairs and Public Liaison

SUBJECT: U.S. offers under the General Agreement on Trade in Services (GATS) negotiations- Request for information from states by Friday, February 21, 2003

The WTO General Agreement on Trade in Services (GATS) establishes rules on trade and investment in services. Upon joining the WTO in 1994, each country including the United States decided whether and how to apply these core disciplines – including Most Favored Nation (MFN) treatment, market access, and national treatment – to services trade in its market.

The United States made commitments under the GATS during the previous Uruguay Round of negotiations which concluded in 1994, and in subsequent negotiations on basic telecommunications and financial services. In consultation with the states, the U.S. at that time excluded many specific state measures dealing with services from market access coverage under U.S. commitments in its national GATS commitments schedule.

WTO members agreed to conduct GATS Article XIX calls for additional rounds of market-opening negotiations, and the agreed objective of the current GATS negotiations is to extend the coverage of services market access commitments. This is to be accomplished via a “request/offer” negotiation among WTO members.

In July 2002, WTO members including the U.S. submitted “requests”, whereby each WTO member informs its trading partners of the improvements it seeks in those countries’ GATS commitments. A press release and Executive Summary of the U.S. requests is available on the USTR website, at <http://www.ustr.gov/releases/2002/07/02-63.htm>

As the next step, countries will submit their initial the Doha Ministerial Declaration calls for submission of initial “offers” in the GATS negotiations by March 31, 2003. Accordingly, the U.S. is preparing to formulate an initial “offer” in response to requests received from trading partners, including requests that trading partners have made of U.S. states. The U.S. initial offer will be determined in close consultation with the states. To facilitate this process, attached please find:

- 1) List of requests made by trading partners as of January 1, 2003 for your state. (Please note that these are requests. All commitments made by states would be voluntary and subject to consultation, but would be binding U.S. commitments once undertaken).
- 2) A copy of the current U.S. schedule of GATS commitments, including state reservations.
- 3) A glossary of terms and how to read a GATS schedule of commitments.

Request for Action

To prepare the U.S. offer, we need to know if any of the measures for your state identified by our

trading partners are **no longer in effect, have changed, or if your state wishes to take additional commitments to remove these restrictions.** *[Item 1) the list of requests for your state, is a confidential document for the use of state government officials and regulators only.]* **Please respond to this office by fax at (202) 395-3692 no later than Friday, February 21, 2003.**

At this initial stage, it is most important to identify those state restrictions which are no longer in effect. The U.S. is not requesting states to consider changing specific laws or regulations at this time, and will consult further regarding specific requests from our trading partners as negotiations proceed.

We appreciate your timely assistance in this matter. If you have specific questions regarding the U.S. GATS schedule of commitments, a request made of your state, or the GATS negotiations, you may contact Peter Collins, Deputy Assistant U.S. Trade Representative for Services, at (202) 395-7271 or pcollins@ustr.gov. For other questions, you may contact me or Christina Sevilla, Director for Intergovernmental Affairs, at (202) 395-6120.

Additionally, we will hold a teleconference call for state government officials and regulators to answer any questions you may have on Monday, February 3, 2003 at 2:00 p.m. EST. If you would like to receive the dial-in number for the call, please contact Lois Stith at (202) 395-6120. This phone number is for the use of state officials only.

Thank you.