EXECUTIVE OFFICE OF THE PRESIDENT
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GENERALIZED SYSTEM OF PREFERENCES ENHANCEMENTS BENEFIT SUB-SAHARAN AFRICA

U.S. Trade Representative Charlene Barshefsky announced today the designation of 1,783 products for duty free treatment under the GSP program when produced in the least developed beneficiary developing countries (LDBDCs), which are predominately in Sub-Saharan Africa.

"The designation of these products will contribute toward effective and sustainable economic growth in Sub-Saharan Africa. It creates additional trade opportunities for the thirty least developed countries in Sub-Saharan Africa -- a region rich in resources and potential. We expect the least developed countries that will be in the best position to benefit from these additional opportunities are those which are undertaking serious economic reforms," said Barshefsky. "The Administration is committed to building strong trade partnerships with Sub-Saharan Africa's rapidly growing and reforming economies; relationships which will benefit both Africans and Americans. In an increasingly competitive global economy, the U.S. cannot afford to neglect a largely untapped market of some 600-million-plus people and the world cannot afford to see a vast region marginalized."

Utilization of GSP by Sub-Saharan African countries has been increasing, rising from $332 million in 1994 to $588 million in 1996. Yet, only 0.3 % of total GSP imports come from the least developed countries while $10.9 billion or 64% of the total GSP imports of $16.9 billion are sourced from Asian GSP beneficiaries.

President Clinton signed a Proclamation designating these additional 1,783 products on May 30. The Proclamation also designated Cambodia as a beneficiary of the GSP program. "Cambodia's commitment to take concrete steps toward addressing the United States' two major concerns -- worker rights and intellectual property rights -- led to the decision to designate Cambodia as a GSP beneficiary," said Barshefsky. "Cambodia has adopted a labor law that contains internationally recognized worker rights and has formally pledged as part of a bilateral trade agreement to enact and enforce modern intellectual property rights laws."

Additionally, the Presidential Proclamation implemented the results of a *de minimis* waiver review of 1996 imports that exceeded competitive need limits and a review of petitions for modifications in GSP eligibility that were submitted prior to the expiration of the GSP program in July 1995.

The Generalized System of Preferences (GSP) is a program that grants duty-free treatment to specified products that are imported from more than 140 designated beneficiary countries and territories. The premise of GSP is that the creation of trade opportunities for developing countries is an effective, cost-efficient way of encouraging broad-based economic development and a key means of sustaining the momentum behind economic reform and liberalization. GSP is designed to encourage beneficiaries to eliminate or reduce significant barriers to trade in goods, services, and investment, to afford all workers internationally recognized worker rights, and to provide adequate and effective means for foreign nationals to secure, exercise and enforce exclusive intellectual property rights.

The GSP program technically expired on May 31, 1997. The Administration is proposing a multi-year renewal of the program. Said Barshefsky, “Lapses in authorization of the GSP program -- the 1995 expiration lasted for over a year -- are detrimental to the program’s objectives. They create uncertainty and unpredictability which undercut the program’s ability to be an incentive for investors and importers. This reduces the program’s ability to be a development tool. This is why the Administration supports a multi-year reauthorization of the GSP program and will work with the Congress toward that end.”

Note: There is a two page attachment to this press release.

ACTIONS UNDER THE GENERALIZED SYSTEM OF PREFERENCES PROGRAM TO ADD PRODUCTS, DESIGNATE CAMBODIA AS A GSP BENEFICIARY, WAIVE COMPETITIVE NEED LIMITS AND ENACT OTHER MODIFICATIONS IN THE PROGRAM

Note: The Annexes are available on the USTR Fax Retrieval Service at (202) 395-4809

1. Expansion of GSP Product Eligibility for LDBDCs

- In its 1996 law extending the GSP program, Congress authorized the expansion of GSP for the least developed beneficiary developing countries (LDBDCs) to include up to 1,895 products not previously designated as eligible for GSP. The review resulted in the approval of 1783 of these products for GSP eligibility.

- Total imports from all LDBDCs were valued at $5.2 billion in 1996. The expanded product list will include for the first time under GSP imports from the Sub-Saharan LDBDCs that were valued at $2.5 billion in 1996.

2. Designation of Cambodia as an LDBDC

- The review of Cambodia for GSP eligibility focused on two major concerns--protection of worker rights and intellectual property rights.

- Cambodia has adopted a labor law that contains internationally recognized worker rights and has formally pledged as part of a bilateral trade agreement to enact and enforce modern intellectual property rights laws.

- Cambodia's commitment to take concrete steps toward addressing these concerns led to the decision to designate Cambodia as a GSP beneficiary.

3. Review of 1996 Imports

De Minimis Waivers from the Statutory Competitive Need Limit

- The President has the discretionary authority to waive the statutory competitive need limitation in cases where total U.S. imports of a product in 1996 did not exceed $13 million.

- Imports of 79 products valued at $153 million in 1996 were granted de minimis waivers. (See Annex I for the tariff numbers of these items.)

Redesignation of Products

- Individual countries previously excluded from GSP benefits for a particular product may be redesignated for GSP benefits if imports of the product fell below the current 1996 competitive need limitation.

- Eleven products with 1996 imports valued at $126 million have been redesignated as GSP eligible. (See Annex II for a list of the tariff numbers of these items.)

Exclusion of Products for Exceeding the Competitive Need Limits

- In 1996 imports of 89 products from 19 countries valued at $5.7 billion exceeded the competitive need limitation. Of these, 32 products valued at $2.5 billion represent trade where a beneficiary country is losing GSP benefits for such products for the first time. (See Annex III for a list of these items)

4. 1995 Annual Review

Addition of New Products to the GSP Program

- As a result of the 1995 Annual GSP Review, three products with 1996 imports valued at nearly $10 million are being added to the GSP program, effective May 31, 1997. Five requests were denied. (See Annex IV)

Waiver of Competitive Need Limits

- An individual GSP beneficiary country can lose duty-free access for a GSP product if the country accounts for more than 50 percent of total U.S. imports of that product or if the country exported more than $75 million worth of the product to the United States in 1996. This limitation may be waived if certain conditions are met.

- Waivers were granted to 22 products with 1996 imports valued at $1.2 billion.

May 23, 1997

ANNEX I. GSP COUNTRIES AND THEIR PRODUCTS GRANTED GSP de MINIMIS WAIVERS
AND 1996 TRADE STATISTICS

FLAGS		HTSUS	PARTNER	IMPORTS	SHARE	DESCRIPTION
D	___	0202.30.02	Uruguay............	53,636	53.7%	Processed high-quality meat of bovine animals, frozen, boneless
D	___	0302.22.00	Fiji...............	1,317	100.0%	Plaice, fresh or chilled, excluding fillets, other meat portion
D	___	0303.32.00	Russia.............	117,704	65.5%	Plaice, frozen, excluding fillets, other meat portions, livers
D	___	0304.10.30	Chile..............	79,410	54.7%	Fresh or chilled hake fillets
D	___	0305.20.20	Russia.............	4,500	100.0%	Sturgeon roe, dried, smoked, salted or in brine
D	___	0711.30.00	Morocco............	1,282,688	53.9%	Capers, provisionally preserved but unsuitable in that state fo
1 D	___	0802.50.20	Turkey.............	769,714	83.5%	Pistachios, in shell, fresh or dried
1 D	___	0802.50.40	Turkey.............	415,772	79.6%	Pistachios, shelled, fresh or dried
1 D	___	0804.50.80	Thailand...........	1,374,308	53.4%	Guavas, mangoes, and mangosteens, dried
1 D	___	0813.40.10	Thailand...........	1,050,918	77.1%	Papayas, dried
D	___	1102.30.00	Thailand...........	2,641,504	79.7%	Rice flour
D	___	1103.14.00	Thailand...........	135,707	64.3%	Groats and meal of rice
D	___	1604.14.50	Philippines........	117,873	91.4%	Tunas and skipjack, not in airtight containers, not in bulk or
* D	___	1604.15.00	Chile..............	7,561,758	70.2%	Prepared or preserved mackerel, whole or in pieces, but not min
~~1 D~~	___	~~1604.16.30~~	~~Morocco............~~	~~1,031,925~~	~~83.1%~~	~~Anchovies, whole or in pieces but not minced, in oil, in airtig~~
1 D	___	1604.30.20	Russia.............	6,522,907	81.2%	Caviar
1 D	___	1703.90.30	Lebanon............	20,850	56.8%	Molasses, other than cane, imported for (a) the commercial extr
~~D~~	___	~~1901.90.28~~	~~Hungary............~~	~~118,720~~	~~70.8%~~	~~Certain dry mixtures of sodium caseinate, butterfat, whey solid~~
1 D	___	2005.80.00	Thailand...........	2,153,063	69.0%	Sweet corn, prepared or preserved otherwise than by vinegar or
1 D	___	2008.99.35	Thailand...........	3,690,002	83.0%	Lychees and longans, otherwise prepared or preserved, nesi
* D	___	2208.60.50	Russia.............	107,499	85.9%	Vodka, in containers each holding over 4 liters
D	___	2619.00.30	Venezuela..........	800,372	81.7%	Ferrous scale
D	___	2707.99.40	Czech Republic.....	597,100	52.6%	Carbazole having a purity of 65 percent or more by weight
1 D	___	2804.29.00	Ukraine............	1,929,681	54.6%	Rare gases, other than argon
D	___	2811.29.50	Brazil.............	8,040,340	62.7%	Other inorganic oxygen compounds of nonmetals nesi
1 D	___	2825.30.00	Republic of South Af	5,537,831	87.7%	Vanadium oxides and hydroxides
1 D	___	2825.70.00	Chile..............	6,654,939	76.7%	Molybdenum oxides and hydroxides
D	___	2836.99.20	Brazil.............	150,733	76.1%	Bismuth carbonate
~~1 D~~	___	~~2840.11.00~~	~~Turkey.............~~	~~2,410,000~~	~~99.4%~~	~~Anhydrous disodium tetraborate (refined borax)~~
D	___	2840.19.00	Turkey.............	45,516	92.9%	Disodium tetraborate (refined borax) except anhydrous
D	___	2841.90.10	Republic of South Af	552,531	87.1%	Vanadates
D	___	2841.90.20	Chile..............	2,103,574	61.1%	Ammonium perrhenate
D	___	2850.00.20	Republic of South Af	3,486,838	100.0%	Hydride, nitride, azide, silicide and boride of vanadium
* D	___	2903.19.10	Brazil.............	244,799	53.6%	Hexachloroethane and tetrachloroethane
1 D	___	2903.23.00	Brazil.............	8,065,032	77.3%	Tetrachloroethylene (Perchloroethylene)
D	___	2908.90.24	Czech Republic.....	196,249	74.3%	4,6-Dinitro-o-cresol
D	___	2914.40.20	Czech Republic.....	61,134	80.5%	1,2,3-Indantrione monohydrate (Ninhydrin)
D	___	2916.39.08	Hungary............	179,380	55.6%	4-Chloro-3-nitrobenzoic acid
D	___	2917.19.10	Hungary............	1,598,933	64.8%	Ferrous fumerate
D	___	2918.21.50	Poland.............	415,549	71.8%	Salicylic acid and is salts, other than suitable for medicinal
D	___	2918.22.50	Jordan.............	70,401	53.6%	Salts and esters of O-acetylsalicylic acid
D	___	2918.90.35	Romania............	797,187	75.8%	Odoriferous or flavoring compounds of carboxylic acids with add
D	___	2921.43.19	Hungary............	366,786	60.9%	alpha,alpha,alpha-Trifluoro-o-toluidine; and alpha,alpha,alpha-
D	___	2931.00.25	Brazil.............	2,860,200	100.0%	Pesticides of aromatic organo-inorganic (except organo-sulfur)
D	___	2932.13.00	Republic of South Af	3,896,073	68.0%	Furfuryl alcohol and tetrahydrofurfuryl alcohol
D	___	2932.29.25	Czech Republic.....	6,714	100.0%	4-Hydroxycoumarin
* D	___	2933.39.25	Brazil.............	6,275,250	61.2%	Herbicides nesi, of heterocyclic compounds with nitrogen hetero
1 D	___	2933.40.08	Hungary............	346,243	94.9%	4,7-Dichloroquinoline
D	___	2933.40.10	Russia.............	3,911,535	54.0%	Ethoxyquin (1,2-Dihydro-6-ethoxy-2,2,4-trimethylquinoline)

FLAGS: 'G'=Graduated; '*'=Excluded full year; '1'=Excluded Jan/Jun; '2'=Excluded Jul/Dec; 'D'=De minimis;

ANNEX I. GSP COUNTRIES AND THEIR PRODUCTS GRANTED GSP de MINIMIS WAIVERS

FLAGS		HTSUS	PARTNER	IMPORTS	SHARE	DESCRIPTION
* D	___	2933.40.30	Brazil.............	5,037,311	69.6%	Pesticides of heterocyclic compounds with nitrogen hetero-atom(
D	___	2934.90.08	Czech Republic......	15,850	100.0%	2,5-Diphenyloxazole
1 D	___	2938.10.00	Brazil.............	676,859	57.9%	Rutoside (Rutin) and its derivatives
D	___	3603.00.30	Brazil.............	2,624,640	61.0%	Safety fuses or detonating fuses
D	___	3808.30.20	Brazil.............	3,324,126	89.6%	Herbicides, antisprouting products and plant-growth regulators,
D	___	4104.39.20	Thailand...........	2,590,195	77.2%	Buffalo leather, without hair on, parchment-dressed or prepared
* D	___	4109.00.70	Brazil.............	382,877	62.2%	Patent laminated leather or metallized leather, other than calf
D	___	4205.00.60	Venezuela..........	306,270	57.3%	Articles of reptile leather, nesi
D	___	4302.20.60	Brazil.............	73,003	54.7%	Heads, tails, paws and other pieces or cuttings of dressed or t
* D	___	4411.19.20	Brazil.............	4,881,594	56.8%	Fiberboard, of a density exceeding 0.8 g/cm3, mechanically work
* D	___	4412.14.25	Brazil.............	6,285,653	95.8%	Plywood sheet n/o 6 mm thick,outer ply of nontropical hardwood,
* D	___	4412.19.10	Brazil.............	430,577	83.1%	Plywood of wood sheets, n/o 6 mm thick each, with outer plies o
* D	___	4412.92.10	Brazil.............	29,635	100.0%	Plywood nesoi,softwood outer plies,least 1 ply tropical hardwoo
* D	___	4412.99.15	Brazil.............	551,891	100.0%	Plywood nesoi,softwood outer plies,no tropical hardwood ply,no
* D	___	4417.00.60	Brazil.............	854,671	52.9%	Wooden brush backs
1 D	___	5607.30.20	Philippines.........	4,120,005	85.8%	Twine, cordage, rope and cables of abaca or other hard (leaf) f
1 D	___	5609.00.20	Philippines.........	467,775	53.2%	Articles of yarn, strip, twine, cordage, rope or cables nesi, o
D	___	6116.99.35	Philippines.........	84,411	51.6%	Other sports gloves, mittens and mitts including for ski or sno
D	___	7018.90.50	Czech Republic......	6,580,804	55.8%	Articles of glass beads, pearls and imitation stones; statuette
D	___	7019.19.30	Brazil.............	3,797,284	83.7%	Glass fiber chopped strands of a length more than 50 mm
D	___	7113.20.30	Mauritius..........	683,190	57.4%	Clasps and parts thereof for articles of jewelry of base metal
D	___	7409.39.50	Hungary............	194,759	60.1%	Plates, sheets and strip of copper-tin base alloys (bronze) of
* D	___	7614.90.20	Venezuela..........	2,595,545	63.8%	Electrical conductors of stranded wire and like of aluminum, no
1 D	___	8112.91.50	Chile..............	7,961,054	83.7%	Unwrought rhenium; rhenium powders
D	___	8202.91.30	Brazil.............	2,370,192	50.3%	Hacksaw blades for working metal, and base metal parts thereof
1 D	___	8450.90.40	Brazil.............	29,093	60.0%	Furniture designed to receive household- or laundry-type washin
D	___	8459.51.00	Czech Republic......	2,530,413	61.9%	Milling machines, knee type, numerically controlled, nesi
D	___	8528.12.16	Thailand...........	4,385,968	57.9%	Non-high definition color TV receivers, diagonal view ov 33.02
1 D	___	9102.29.04	Philippines.........	911,343	76.1%	Wrist watchhead (not prec metal/clad case) for watch entered w/
D	___	9506.19.40	Czech Republic......	1,816,698	63.3%	Cross-country snow-ski equipment and parts and accessories ther
1 D	___	9614.20.60	Turkey.............	118,572	61.4%	Smoking pipes and bowls wholly of clay, and pipes with bowls wh

FLAGS: 'G'=Graduated; '*'=Excluded full year; '1'=Excluded Jan/Jun; '2'=Excluded Jul/Dec; 'D'=De minimis;

ANNEX II. GSP COUNTRIES AND PRODUCTS GRANTED GSP REDESIGNATION **(R)**,
AND 1996 TRADE STATISTICS

FLAGS		HTSUS	PARTNER	IMPORTS	SHARE	DESCRIPTION
*	R	2933.29.45	Slovenia............	17,510,847	46.4%	Nonaromatic drugs of heterocyclic compounds with nitrogen hetero-
*	R	2933.71.00	Russia..............	0	0.0%	6-Hexanelactam (epsilon-Caprolactam)
*	R	6905.10.00	Venezuela...........	3,416,588	34.6%	Ceramic roofing tiles
*	R	7413.00.10	Peru................	0	0.0%	Stranded wire of copper, not electrically insulated, not fitted w
*	R	7604.10.50	Russia..............	0	0.0%	Bars and rods of aluminum, not alloyed, not having a round cross
*	R	7605.11.00	Russia..............	0	0.0%	Aluminum wire, not alloyed, of which the maximum cross-sectional
*	R	8401.10.00	Russia..............	0	0.0%	Nuclear reactors
*	R	8469.12.00	Indonesia...........	567,496	2.3%	Automatic typewriters
*	R	8517.19.40	Thailand............	0	0.0%	Videophones
*	R	8517.19.80	Thailand............	63,103,149	5.9%	Telephone sets, nesoi
*	R	8527.90.90	Philippines.........	41,783,718	21.2%	Reception apparatus for radiotelephony, radiotelegraphy or radiob

FLAGS: 'G'=Graduated; '*'=Excluded full year; '1'=Excluded Jan/Jun; '2'=Excluded Jul/Dec; 'D'=De minimis;

ANNEX III. GSP COUNTRIES EXCEEDING COMPETITIVE NEED LIMITS
INCLUDING NEW EXCLUSIONS(N) AND 1996 TRADE STATISTICS

FLAGS	HTSUS	PARTNER	IMPORTS	SHARE	DESCRIPTION
*	0603.10.70	Colombia...........	158,754,930	89.9%	Chrysanthemums, standard carnations, anthuriums and orchids, fr
*	0811.20.20	Chile..............	8,416,137	57.7%	Raspberries, loganberries, black currants and gooseberries unco
*	0813.10.00	Turkey.............	29,446,943	95.0%	Apricots, dried
*	1602.50.20	Argentina..........	63,591,742	74.8%	Other prepared/preserved bovine meat, not containing cereals/ve
W *	1604.16.10	Morocco............	11,167,100	54.4%	Anchovies, whole or in pieces but not minced, in oil, in airtig
G	1605.10.20	Thailand...........	8,337,417	21.1%	Crabmeat, prepared or preserved, in airtight containers
N	1701.11.10	Dominican Republic..	150,424,467	16.6%	Cane sugar, raw, not containing added flavoring or coloring mat
*	1701.11.10	Brazil.............	125,346,935	13.9%	Cane sugar, raw, not containing added flavoring or coloring mat
*	2402.10.80	Dominican Republic..	103,078,116	58.7%	Cigars, cheroots and cigarillos containing tobacco, each valued
N	2603.00.00	Chile..............	49,898,617	70.8%	Copper ores and concentrates
G	2825.90.15	Brazil.............	9,034,749	55.4%	Niobium oxide
N	2904.90.15	Brazil.............	15,716,649	99.9%	4-Chloro-3-nitro-alpha,alpha,alpha-trifluorotoluene; and certai
*	2906.11.00	India..............	17,272,841	51.1%	Menthol
N W	2909.19.10	Venezuela..........	152,047,907	17.6%	Ethers of monohydric alcohols
N	2916.31.15	Estonia............	8,478,759	53.4%	Benzoic acid and its salts, nesi
*	2918.22.10	Turkey.............	0	0.0%	O-Acetylsalicylic acid (Aspirin)
*	3301.12.00	Brazil.............	20,631,829	78.2%	Essential oils of orange
*	3301.90.10	India..............	13,560,199	70.8%	Extracted oleoresins
*	4011.10.10	Brazil.............	78,999,128	6.0%	New radial tires, of rubber, of a kind used on motor cars (incl
N	4015.11.00	Thailand...........	112,745,829	15.3%	Surgical and medical gloves of vulcanized rubber
N	4104.31.40	Argentina..........	139,131,501	38.8%	Upholstery leather, of bovine and equine leather, without hair
*	4106.20.60	Pakistan...........	9,013,635	68.0%	Goat or kidskin leather, w/o hair on, excluding leather of head
W *	4107.90.60	Republic of South Af	20,339,625	66.7%	Leather of animals, nesi, without hair on, not including chamoi
W *	4203.21.20	Indonesia..........	14,422,881	64.3%	Batting gloves, of leather or of composition leather
N	4412.13.30	Indonesia..........	201,340,999	68.2%	Plywood sheets n/o 6 mm thick, tropical wood outer ply, with fa
G	4412.13.40	Indonesia..........	32,298,640	49.5%	Plywood sheets n/o 6 mm thick, specific tropical wood outer ply,
G	4412.13.50	Brazil.............	800,214	19.8%	Plywood sheets n/o 6 mm thick, tropical wood nesoi outer ply, w
G	4412.13.50	Indonesia..........	2,282,022	56.5%	Plywood sheets n/o 6 mm thick, tropical wood nesoi outer ply, w
N	4412.13.55	Indonesia..........	10,134,707	65.7%	Plywood sheets n/o 6 mm thick, tropical wood outer ply, surface
G	4412.13.60	Indonesia..........	690,403	43.2%	Plywood sheets n/o 6 mm thick, specific tropical wood outer ply,
G	4412.13.90	Indonesia..........	476,952	44.5%	Plywood sheets n/o 6 mm thick, tropical wood nesoi outer ply, sur
G	4412.22.30	Brazil.............	564,289	10.0%	Plywood nesoi, least one hardwood outer ply, w/tropical hardwoo
G	4412.22.30	Indonesia..........	3,365,934	60.1%	Plywood nesoi, least one hardwood outer ply, w/tropical hardwoo
G	4412.22.40	Indonesia..........	369,225	21.4%	Plywood nesoi, at least one hardwood outer ply, w/tropical hardwo
* G	4412.22.40	Brazil.............	0	0.0%	Plywood nesoi, at least one hardwood outer ply, w/tropical hardwo
G	4412.29.35	Brazil.............	1,191,160	6.7%	Plywood nesoi, at least one hardwood outer ply nesoi, no partic
G	4412.29.35	Indonesia..........	1,256,441	7.0%	Plywood nesoi, at least one hardwood outer ply nesoi, no particle
G	4412.29.45	Brazil.............	3,121,938	36.8%	Plywood nesoi, at least one hardwood outer ply nesoi, no partic
G	4412.29.45	Indonesia..........	292,744	3.4%	Plywood nesoi, at least one hardwood outer ply nesoi, no particle
* G	4421.90.50	Brazil.............	0	0.0%	Wooden toothpicks
* G	4421.90.60	Brazil.............	0	0.0%	Wooden skewers, candy sticks, ice cream sticks, tongue depressors
N 1	4823. 90.20	Philippines.........	9,455,161	60.8%	Articles of papier-mache, nesi
*	6406.10.65	Dominican Republic..	183,227,627	59.8%	Footwear uppers, other than formed, of leather
N	7113.11.50	Thailand...........	106,650,668	30.7%	Articles of jewelry and parts thereof, of silver, nesi, valued
N	7113.19.21	Peru...............	28,810,838	51.9%	Rope necklaces and neck chains of gold
N	7113.19.50	Dominican Republic..	91,076,717	4.0%	Articles of jewelry and parts thereof of precious metal nesi, w
*	7113.19.50	India..............	215,380,914	9.6%	Articles of jewelry and parts thereof of precious metal nesi, w
* G	7202.21.10	Brazil.............	0	0.0%	Ferrosilicon containing by weight more than 55% but not more than

FLAGS: 'G'=Graduated; '*'=Excluded full year; '1'=Excluded Jan/Jun; '2'=Excluded Jul/Dec; 'D'=De minimis; 'W' = Waived

ANNEX III. GSP COUNTRIES EXCEEDING COMPETITIVE NEED LIMITS
INCLUDING NEW EXCLUSIONS(N) AND 1996 TRADE STATISTICS

FLAGS	HTSUS	PARTNER	IMPORTS	SHARE	DESCRIPTION
G	7202.21.50	Brazil..............	16,052,579	9.7%	Ferrosilicon containing by weight more than 55% but not more th
* G	7202.30.00	Brazil..............	0	0.0%	Ferrosilicon manganese
G	7307.21.50	Brazil..............	177,996	0.6%	Flanges of stainless steel nesi
G	7307.91.50	Brazil..............	111,120	0.2%	Flanges of iron or steel (except stainless steel), nesi
* G	7308.90.70	Venezuela...........	0	0.0%	Steel grating prepared for use in structures
*	7402.00.00	Chile...............	124,994,827	59.9%	Unrefined copper; copper anodes for electrolytic refining
N	7403.11.00	Peru................	121,680,662	10.6%	Cathodes and sections of cathodes of refined copper
*	7403.11.00	Chile...............	211,879,273	18.6%	Cathodes and sections of cathodes of refined copper
G	7604.10.30	Venezuela...........	35,000	0.2%	Bars and rods of aluminum, not alloyed, having a round cross se
G	7604.29.30	Venezuela...........	249,984	0.6%	Bars and rods of aluminum alloys, having a round cross section
G	7605.11.00	Venezuela...........	33,138	0.0%	Aluminum wire, not alloyed, of which the maximum cross-sectiona
G	7605.21.00	Venezuela...........	1,983,978	7.6%	Wire of aluminum alloys, of which the maximum cross-sectional d
N	7905.00.00	Peru................	16,936,059	92.9%	Zinc plates, sheets, strip and foil
*	8104.11.00	Russia..............	47,108,195	80.5%	Unwrought magnesium containing at least 99.8 percent by weight
N	8108.90.60	Russia..............	49,132,090	59.8%	Articles of titanium, nesi
N	8112.30.60	Russia..............	9,334,198	52.2%	Unwrought germanium
N	8412.10.00	Russia..............	12,896,789	87.1%	Reaction engines other than turbojets
N	8413.30.10	Brazil..............	105,479,605	42.9%	Fuel-injection pumps for compression-ignition engines, not fitt
N W	8414.30.40	Brazil..............	82,347,286	47.8%	Compressors of a kind used in refrigerating equipment (includin
N	8414.30.80	Brazil..............	78,653,695	15.7%	Compressors of a kind used in refrigerating equipment (incl. ai
*	8429.30.00	Brazil..............	19,636,315	71.1%	Self-propelled scrapers
* W	8471.49.26	Thailand............	76,942,437	12.7%	Display units with color cathode-ray tube, nesi for automatic d
* W	8471.60.35	Thailand............	376,653,877	6.1%	Display units with color cathode-ray tube, nesi for automatic d
N	8471.60.35	Indonesia...........	95,852,400	1.5%	Display units with color cathode-ray tube, nesi for automatic d
N	8471.70.50	Philippines.........	99,230,391	23.8%	Magnetic disk drive storage units nesi, for automatic data proc
*	4823.20.10	Brazil..............	0	0.0%	Paint filters and strainers of paper or paperboard
N	8516.50.00	Thailand............	136,339,447	20.2%	Microwave ovens of a kind used for domestic purposes
*	8517.21.00	Thailand............	129,612,003	17.8%	Fascimile machines
N	8517.80.10	Indonesia...........	155,787,597	44.8%	Electrical telephonic apparatus nesi
*	8521.10.60	Thailand............	156,025,793	6.0%	Magnetic tape-type color video recording or reproducing apparat
* W	8527.21.10	Brazil..............	189,448,787	11.2%	Radio-tape-player combinations not operable without external po
N W	8527.31.40	Indonesia...........	97,000,946	11.2%	Radiobroadcast receiver combinations incorporating tape players
N	8528.12.04	Indonesia...........	68,836,333	98.4%	Incomplete/unfinished color television receivers incorporating
N	8531.20.00	Thailand............	82,983,465	10.9%	Indicator panels incorporating liquid crystal devices (LCD's) o
*	8544.30.00	Thailand............	176,331,101	4.7%	Insulated ignition wiring sets and other wiring sets of a kind
N	8708.39.50	Brazil..............	84,054,962	5.5%	Brakes and servo-brakes and parts thereof, other than mounted b
*	8802.30.00	Brazil..............	125,114,423	5.3%	Airplanes and other aircraft, of an unladen weight exceeding 2,
N	9006.62.00	Thailand............	12,704,823	83.3%	Photographic flashbulbs, flashcubes and the like
*	9009.12.00	Thailand............	100,863,088	4.4%	Electrostatic photocopying apparatus, operating by reproducing
*	9018.90.80	Dominican Republic..	289,293,061	33.3%	Instruments and appliances used in medical, surgical, dental or
*	9401.30.40	Croatia.............	0	0.0%	Swivel seats with variable height adjustment, with wooden frame (
*	9401.30.40	Slovenia............	0	0.0%	Swivel seats with variable height adjustment, with wooden frame (
G	9401.61.40	Croatia.............	322,822	0.1%	Upholstered chairs with wooden frames, of other than teak (othe
G	9401.61.40	Slovenia............	612,212	0.2%	Upholstered chairs with wooden frames, of other than teak (othe
N	9401.69.40	Indonesia...........	7,102,025	51.0%	Chairs with teak frames, not upholstered
G	9401.69.60	Croatia.............	1,598,275	0.3%	Chairs with wooden frames nesi, not upholstered (other than tho
G	9401.69.60	Slovenia............	18,885,568	4.3%	Chairs with wooden frames nesi, not upholstered (other than tho
G	9401.90.40	Croatia.............	297,490	0.4%	Parts of seats of wood (other than those of heading 9402)
G	9401.90.40	Slovenia............	3,363,915	5.0%	Parts of seats of wood (other than those of heading 9402)
N	9403.60.80	Indonesia...........	89,213,782	5.4%	Wooden (except bent-wood) furniture other than seats, of a kind
*	9405.50.30	India...............	22,701,005	62.6%	Nonelectrical lamps and lighting fixtures nesi, of brass

FLAGS: 'G'=Graduated; '*'=Excluded full year; '1'=Excluded Jan/Jun; '2'=Excluded Jul/Dec; 'D'=De minimis; 'W' = Waived

TABLE III-A. COUNTRY SUMMARY OF TOTAL COUNTRY TRADE EXCLUDED FROM GSP BECAUSE COMPETITIVE NEED LIMITS EXCEEDED IN 1996 AND TRADE FOR ITEMS WHICH ARE NEW EXCLUSIONS

TOTALS BY PARTNER

PARTNER	TOTAL EXCLUDED IMPORTS	TOTAL EXCLUDED COUNT	NEW EXCLUSIONS IMPORTS	NEW EXCLUSIONS COUNT
Argentina...........	202,723,243	2	139,131,501	1
Brazil..............	956,483,659	19	366,252,197	5
Chile...............	395,188,854	4	49,898,617	1
Colombia............	158,754,930	1	0	0
Croatia.............	2,218,587	3	0	0
Dominican Republic..	817,099,988	5	241,501,184	2
Estonia.............	8,478,759	1	8,478,759	1
India...............	268,914,959	4	0	0
Indonesia...........	780,724,031	17	725,268,789	8
Morocco.............	11,167,100	1	0	0
Pakistan............	9,013,635	1	0	0
Peru................	167,427,559	3	167,427,559	3
Philippines.........	108,685,552	2	108,685,552	2
Republic of South Af	20,339,625	1	0	0
Russia..............	118,471,272	4	71,363,077	3
Slovenia............	22,861,695	3	0	0
Thailand............	1,476,189,948	12	451,424,232	5
Turkey..............	29,446,943	1	0	0
Venezuela...........	154,350,007	5	152,047,907	1
TOTAL...............	5,708,540,346	89	2,481,479,374	32

ANNEX IV. 1995 ANNUAL REVIEW PRODUCTS DECISIONS

ACCEPTED PRODUCTS

DECISION	CASE #	PRODUCT	AMENDED HTS	PETITIONER	COUNTRY
ADD					
GRANT	95-1*	KOLA NUTS, SHELLED, FRESH OR DRIED	0802.90.9090PT	MCCORMICK & CO.	(COTE D'IVOIRE)
GRANT	95-2	UNSATURATED ACYCLIC HYDROCARBONS	2901.29.50	SASOL ALPHA OLEFINS	(S. AFRICA)
DENY	95-3	"6PPD"	2921.51.50PT	DUSLO; PETRIMEX; PROCHIMIE INTERN'L	(SLOVAK REPUBLIC)
DENY	95-4	"CBS"	2934.20.80PT	SLOVAK REPUBLIC; ISTROCHEM; PROCHIMIE	(SLOVAK REPUBLIC)
DENY	95-5	CARPETS/TEXTILE FLOOR COVERINGS	5701.10.40PT	TRADE PROMO. CENTRE/KUBER HANDICRAFTS	(NEPAL)
DENY	95-6	CERAMIC BRICKS, BLOCKS, TILES	6901.00.00	CERAMICA CARABOBO	(VENEZUELA)
DENY	95-7	AUTO AM RADIOS	8527.29.80	FORD MOTOR COMPANY	(BRAZIL)
GRANT	95-8	RAILWAY AXLES	8607.19.03	SWASAP	(S. AFRICA)
REMOVE					
DENY	95-9	CASED PENCILS AND CRAYONS	9609.10.00	WRITING INSTRUMENT MANUF. ASSOC.	(ALL)
REMOVE COUNTRY					
DENY	95-10	PEPPERS, SWEET, CANNED	2001.90.39PT	CHEROKEE PRODUCTS CO.	(CHILE)
DENY	95-11	PEPPERS, SWEET, PICKLED	2005.90.5510	CHEROKEE PRODUCTS CO.	(CHILE)
DENY	95-12	MANGANESE DIOXIDE	2820.10.00	FERROALLOY ASSOCIATION	(S. AFRICA)
DENY	95-13	CERTAIN GLASS TABLETOPS	7006.00.40	GLASSCRAFT OF MEMPHIS, TN	(INDONESIA)
WAIVE CNL					
GRANT	see 95-1*	KOLA NUTS, SHELLED, FRESH OR DRIED	0802.90.9090PT	MCCORMICK & CO.	(COTE D'IVOIRE)
GRANT	95-14	ANCHOVIES, CANNED	1604.16.10	MINISTRY OF FOREIGN TRADE	(MOROCCO)
GRANT	95-15	ANCHOVIES, CANNED	1604.16.30	MINISTRY OF FOREIGN TRADE	(MOROCCO)
GRANT	95-16	METHANOL	2905.11.20	PETROQUIMICA DE VENEZUELA	(VENEZUELA)
GRANT	95-17	MTBE	2909.19.1010	ECOFUEL	(VENEZUELA)
GRANT	95-18	DIMETHYL TEREPHTHALATE	2917.37.00	GOV. OF ROMANIA	(ROMANIA)
GRANT	95-19	TECHNICAL HERBICIDES	2933.39.25	AMERICAN CYANAMID CO.	(BRAZIL)
GRANT	95-20	TECHNICAL PESTICIDES	2933.40.30	AMERICAN CYANAMID CO.	(BRAZIL)
GRADUATED	95-21	METHYL ESTERS	3823.90.40	PROCTER & GAMBLE CO.	(MALAYSIA)
GRANT	95-22	BUFFALO LEATHER	4104.39.20	LACKAWANA LEATHER CO.	(THAILAND)
GRANT	95-23	LEATHER OF ANIMALS W/O HAIR	4107.90.60	ECONOMIC MINISTER OF S. AFRICA	(S. AFRICA)
GRANT	95-24	BATTING GLOVES	4203.21.20	GOV. OF INDONESIA	(INDONESIA)
GRANT	95-25	CERAMIC ROOFING TILES	6905.10.00	ALFARERIA EL VOLCAN; INTERCLAY CO.	(VENEZUELA)
DENY	95-26	ELECTRICAL CONDUCTORS/WIRE	7614.90.20	SURAL; CONAL	(VENEZUELA)
GRANT	95-27	REFRIGERATION COMPRESSORS	8414.30.40	WHIRLPOOL CORP.	(BRAZIL)
GRANT	95-28	AUTOMATIC TYPEWRITERS	8469.12.00	GOV. OF INDONESIA	(INDONESIA)
GRADUATED	95-29	COLOR MONITORS	8471.92.32	APPLE COMPUTER, INC.	(MALAYSIA)
GRANT	95-30A	COLOR MONITORS WITH SYSTEM	8471.49.26	GOV. OF THAILAND; APPLE COMPUTER, INC.	(THAILAND)
GRANT	95-30B	COLOR MONITORS WITHOUT SYSTEM	8471.60.35	GOV. OF THAILAND; APPLE COMPUTER, INC.	(THAILAND)
GRADUATED	95-31	OPTICAL SCANNERS	8471.92.84	APPLE COMPUTER, INC.	(MALAYSIA)
GRANT	95-32A	TELEPHONE SETS VIDEO	8517.19.40	GOV. OF THAILAND	(THAILAND)
GRANT	95-32B	TELEPHONE SETS	8517.19.80	GOV. OF THAILAND	(THAILAND)
GRADUATED	95-33	FACSIMILE MACHINES	8517.82.40	HEWLETT-PACKARD CO.	(MALAYSIA)
DENY	95-34	FACSIMILE MACHINES	8517.21.00	CAL-COMP ELECTRONICS; CANON USA; SHARP	(THAILAND)
GRANT	95-35	COMPACT DISC PLAYERS	8519.99.00	PIONEER TECHNOLOGY; SANTRONICS/ SANYO FISHER; THOMSON CONSUME	(MALAYSIA)

DECISION	CASE #	PRODUCT	AMENDED HTS	PETITIONER	COUNTRY

GRADUATED	95-36	AUDIO CASSETTE RECORDERS	8520.31.00	GOV. OF MALAYSIA	(MALAYSIA)
DENY	95-37	VCRs	8521.10.60	GOV. OF THAILAND; ORION SALES; WORLD ELECTRIC	(THAILAND)
GRANT	95-38	AUTO TAPE PLAYER RADIOS	8527.21.10	FORD MOTOR COMPANY	(BRAZIL)
GRADUATED	95-39	AUTO TAPE PLAYER RADIOS	8527.21.10	SANYO ELECT./MALAYSIA;SANYO FISHER/USA	(MALAYSIA)
GRANT	95-40	AUDIO HI-FI SYSTEMS	8527.31.40	GOV. OF INDONESIA	(INDONESIA)
GRANT	95-41	SCANNERS AND PAGERS	8527.90.90	GOV. OF PHILIPPINES; UNIDEN AMERICA; UNIDEN PHILIPPINES	(PHILIPPINES)
DENY	95-42	IGNITION WIRING SETS	8544.30.00	GOV. OF THAILAND; AMERICAN YAZAKI CORP	(THAILAND)
GRADUATED	95-43	CAMERAS	9006.53.00	CANON U.S.A.	(MALAYSIA)
DENY	95-44	PHOTOCOPIERS	9009.12.00	CANON U.S.A./CANON HI-TECH THAILAND	(THAILAND)
GRANT	95-45	ELECTRONIC CONTROL UNITS (ECU)	9032.89.60	TELEFUNKEN MICROELECTRONIC, INC.	(PHILIPPINES)

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97-53

FOR IMMEDIATE RELEASE
Friday, June 13, 1997

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U.S. SUPPORTS WTO DECISION ON BALANCE OF PAYMENTS PROVISIONS REGARDING INDIA

The United States supports the June 11 decision by the WTO Committee on Balance of Payments to suspend negotiations until June 30 to bring India into compliance with its WTO obligations. Commenting on the discussions to date, U.S. Trade Representative Barshefsky said, "India has made important progress in the past 5-6 years in liberalizing its import regime. However, the job will be incomplete until the remaining import barriers covering over 2700 import items, that are no longer WTO-justified, are eliminated."

In January 1997, the WTO Committee found, based in part on the views of the International Monetary Fund (IMF), that India's trade barriers did meet WTO standards for so-called balance of payments trade barriers because India does not have a balance of payments problem. India was given until June 11 to propose how to remove these barriers, but a number of countries objected. The U.S. supports the two week suspension to provide India the opportunity to reflect further upon its current proposal to phase out its import restrictions that have been notified under the WTO Balance of Payments provisions.

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FOR IMMEDIATE RELEASE
Friday, June 13, 1997

97-54
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U.S., EU REACH AGREEMENT ON MUTUAL RECOGNITION OF PRODUCT TESTING OR APPROVAL REQUIREMENTS

Agreements Cover $50 billion in Two-Way Trade

Washington, D.C. -- The United States and the EU have agreed to a package of mutual recognition agreements (MRA's) that will reduce trade barriers in six industry sectors covering approximately $50 billion in two-way trade, U.S. Trade Representative Charlene Barshefsky and U.S. Commerce Secretary William M. Daley announced today.

"We achieved an agreement that is good for U.S. and EU business, good for our regulatory agencies and good for our consumers," said Barshefsky. "The MRA is yet another example of the Administration's push to open markets in sectoral areas where the United States leads the world, while assuring our absolute right to choose our own health and safety standards. The real winners today are manufacturers, workers, and consumers, both in America and in Europe, who will see reduced costs, increased jobs and a better standard of living."

When fully implemented, the agreements will recognize the results of product testing or certification requirements set by both governments and eliminates the need for duplicative testing, inspection or certification requirements for products from each side of the Atlantic.

"Under this landmark agreement U.S. regulatory agencies, for the first time, have entered into a cooperative international agreement that strives to reduce regulatory costs while at the same time seeks to expand market access and protect the health and safety of consumers on both sides of the Atlantic," Commerce Secretary Daley said. "Completion of these mutual recognition agreements has been a longstanding priority of the United States and the European Union. I also want to give credit to the TransAtlantic Business Dialogue (TABD). The TABD said the MRA was important; we heard them and acted."

These agreements are expected to increase U.S. exports by saving manufacturers more than $1 billion in costs annually, which is equivalent to a two or three point reduction in tariffs.

The MRAs include telecommunications, medical devices, electromagnetic compatibility, electrical safety, recreational craft, and pharmaceuticals. The agreements allow products or processes to be assessed for conformity (i.e. testing, inspection, and certification) in the United States to European Union standards, and vice versa.

After entry into force, the agreements will be phased in and fully implemented in two years for electronic products and three years for health products.

This agreement was concluded with the support of the Trans-Atlantic Business Dialogue (TABD), a U.S.-EU government-business partnership that generates business recommendations for removing barriers to transatlantic trade for direct consideration in the government decision making process.

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FOR IMMEDIATE RELEASE
Wednesday, June 18, 1997

97-55
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ADMINISTRATION SUBMITS CBI, GSP AND SHIPBUILDING TRADE LEGISLATION TO CONGRESS

The Administration transmitted the United States Caribbean Basin Trade Enhancement Act (CBTEA) to the Congress in addition to legislation that would restart the GSP program and implement the OECD Shipbuilding Agreement. The purpose of the CBTEA proposal is to give Caribbean Basin countries enhanced market access and serve as a bridge toward the "Free Trade Area of the Americas".

"The U.S.- Caribbean Basin Trade Enhancement Act is part of an integrated Administration-wide strategy to advance economic progress and promote regional cooperation throughout the Caribbean," said U.S. Trade Representative Charlene Barshefsky. "In advancing this proposal now we signal our intention to expand trade with Caribbean countries on terms consistent with the objectives of the Free Trade Area of the Americas."

The legislation fulfills the President's commitment, made during his recent trip to Costa Rica and Barbados, to forward legislation to the Congress that would provide enhanced trade preferences to countries in the region. The bill would affect certain products that are presently not eligible for preferences under the CBI program, particularly textiles and apparel. The CBTEA would extend to eligible Caribbean Basin Initiative (CBI) beneficiary countries certain trade preferences essentially equivalent to those Mexico receives under the North American Free Trade Agreement (NAFTA).

Ambassador Barshefsky noted that the Administration had planned to introduce the CBTEA proposal as a free standing bill, but since CBI enhancement was included in the Ways and Means reconciliation bill, she is forwarding a proposal that the Administration supports in preference to the text in the reconciliation bill.

Under CBTEA, new trade preferences would be phased in as countries undertake appropriate policy measures that will prepare them for the FTAA. The benefits would remain in effect through fiscal year 2005, which is the date for concluding negotiation of the FTAA. In the meantime, the expanded economic development that will follow enactment of the U.S. Caribbean Trade Enhancement Act will stimulate economic growth among CBI countries, provide growing markets for U.S. products, and enhance the ability of our neighbors to strengthen democracy and security within their own borders.

Initially countries would receive approximately half of the tariff benefits that Mexico receives under the NAFTA, as well as quota free treatment for textile and apparel products meeting NAFTA rules of origin. After three years countries would be eligible for increased preferences up-to the full tariff benefits equal to the NAFTA.

Countries wishing to enjoy full CBTEA preferences would need to meet conditions with respect to: (1) compliance with the rules of international trade set forth in the WTO agreements; (2) intellectual property rights; (3) investment; (4) market access for certain goods; (5) workers' rights; (6) environmental protection; (7) narcotics enforcement; (8) anti-corruption; (9) tax information exchange; (10) government procurement; (11) customs valuation; and (12) the provision to certain products of the United States tariff treatment no less favorable than that afforded by a CBI country to other countries under any new free trade agreement

GSP Legislation Targets LLDCs

The President has proposed that the Generalized System of Preferences (GSP) be reauthorized for ten years for most program beneficiaries and made permanent for the least developed countries, most of which are in Africa. Long term reauthorization is especially important for the least developed countries. For lasting business relationships to be established based on GSP - a critical element of the President's African trade initiative - long term reauthorization is essential.

"The GSP program should be a tool to bring trade, economic reform, democracy and greater stability to the least developed countries of the world. That is exactly what this legislation is about," said Ambassador Barshefsky.

Consensus Proposal Advanced on Shipbuilding

The legislation submitted by the Administration to implement the OECD Shipbuilding Agreement effectively addresses such issues as our Title XI programs, loan guarantees, the Jones Act, U.S. military programs, monitoring and enforcement issues, and the possible adverse impact of non-member countries.

"Enactment of this legislation will make it possible for American shipbuilders to compete on an equal footing with their foreign competitors," said Ambassador Barshefsky. "Without the legislation, they will continue to be disadvantaged by huge foreign subsidies and predatory pricing practices the Agreement sought to eliminate."

The OECD Shipbuilding Agreement, which was concluded in late 1994, would eliminate government subsidies granted to aid the shipbuilding industry; set common rules for government financing programs for ship purchases; establish a mechanism to address the dumping of ships; and set an effective, binding dispute settlement mechanism to enforce these rules.

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97-56

FOR IMMEDIATE RELEASE
June 19, 1997

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HONG KONG ACCEDES TO THE WTO GOVERNMENT PROCUREMENT AGREEMENT

U.S. Trade Representative Charlene Barshefsky today welcomed Hong Kong's accession to the WTO Agreement on Government Procurement. She said, "Hong Kong's accession to the Agreement will ensure U.S. exporters of goods and services access to Hong Kong's valuable procurement market, including contracts awarded by Hong Kong's Airport Authority, Mass Transit Railway Corporation, the Kowloon-Canton Railway Corporation and Hong Kong's Civil Aviation Department. Hong Kong's accession is a significant achievement in the United States' efforts to open government procurement markets around the world by increasing participation in the Government Procurement Agreement."

The worldwide market for government procurement accounts for trillions of dollars in commercial transactions each year, including commercially significant purchases of telecommunications networks, electrical power grids and transportation systems. The WTO Government Procurement Agreement requires government agencies to follow non-discriminatory, open and transparent procedures for government procurement. It covers procurements of both goods and services, including construction, and applies to purchases by central and subcentral government agencies, as well as government-owned enterprises.

"Governments are among the largest purchasers of goods and services in the world, yet only the procurements of the 23 signatories to the Government Procurement Agreement are subject to WTO rules requiring non-discriminatory and transparent procurement procedures," said Barshefsky. "As a result, many governments are prevented from obtaining the best value for public expenditures due to the existence of pervasive discriminatory and anti-competitive behavior that distorts the market. Joining the Agreement will benefit Hong Kong by promoting budgetary efficiency and it will benefit exporters of U.S. goods and services by opening up procurement contracts to competitive bidding."

The Government Procurement Agreement, which was originally concluded in 1979 and renegotiated during the Uruguay Round, is one of the plurilateral agreements under the WTO. As such, it is not part of the WTO's single undertaking and its membership is limited to WTO members that specifically accede to it. Currently, only 23 of the WTO's 131 Members are signatories to the Agreement. Hong Kong is the first new signatory to join the Agreement since its entry into force in 1996. In addition to the United States, the current signatories to the Government Procurement Agreement are: Aruba, Canada, the 15 Member States of the European Union, Israel, Japan, Korea, Norway, and Switzerland. The commitments under the Agreement are applied on the basis of bilateral, reciprocal commitments obtained from other signatories.

Hong Kong's accession will take effect June 19, 1997.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
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97-57

FOR IMMEDIATE RELEASE
June 19, 1997

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UNITED STATES AND JAPAN REACH AGREEMENT ON DEREGULATION INITIATIVE

DENVER-- Today President Clinton and Prime Minister Hashimoto announced a new initiative on deregulation of the Japanese economy, aimed at increasing market access for foreign producers of goods and services and at benefitting Japanese consumers with greater choice and lower costs. Today's announcement follows from the President and Prime Minister's decision at their meeting in April 1997 to pursue an enhanced initiative on deregulation under the & U.S. - Japan Framework Agreement.

"This agreement puts us on a course to address some of the most pressing barriers to fair and open competition in the Japanese economy, and ensures that U.S. concerns will be addressed in Japan's deregulation efforts," said U.S. Trade Representative Charlene Barshefsky. "We have identified five major areas of the Japanese economy which present major opportunities for U.S. industries that are the most competitive in the world. Our objective is to see concrete progress within a year in achieving market-opening reforms."

"This agreement augments our multi-faceted approach to opening the Japanese market. We will continue to address the full range of market access barriers in Japan through enforcement of our existing bilateral agreements, pursuits of our rights under the WTO, implementation of the Framework, and other bilateral and multilateral avenues as appropriate."

The deregulation agreement identifies specific sectoral areas for reform including telecommunication, medical devices and pharmaceutical products, housing and construction products, and financial services. Initial structural issues of concern will include competition policy and distribution, transparency and other government practices.

Under the terms of the new agreement, experts from the two countries will meet this summer to work out concrete measures to improve market access and enhance consumer benefits in these areas. The experts will report their progress in writing to the Deputy USTR and the Vice Minister for Foreign Affairs in Japan which will meet regularly to resolve issues that the experts are unable to resolve. The high-level group will report progress directly to the trade ministers and the leaders of the two countries.

"This enhanced initiative on deregulation strengthens the Framework agreement and builds on the many successful market opening agreements negotiated by the Clinton Administration. In areas such as insurance, wood products, and auto parts replacement, trade agreements aimed at deregulation have produced significant market-opening results. With today's initiative, we aim to use this process to achieve similar gains in these critical additional sectors."

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WASHINGTON, D.C.
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FOR IMMEDIATE RELEASE
Friday, June 20, 1997

97-58
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AMBASSADOR BARSHEFSKY EXPRESSES REGRET AT EUROPEAN UNION'S DECISION TO REQUEST CONSULTATIONS REGARDING MASSACHUSETTS' LAW REGARDING PROCUREMENT FROM COMPANIES DOING BUSINESS IN BURMA

United States Trade Representative Charlene Barshefsky today expressed regret at the decision of the European Communities (EC) to request dispute settlement consultations through the World Trade Organization (WTO) on the Massachusetts law regarding procurement from companies doing business in Burma.

Ambassador Barshefsky said she was surprised and very disappointed at the EC decision, given the strong interest of both the EC and the United States in improving the human rights situation in Burma. "The decision to take this matter to the WTO will not help the situation at all," Ambassador Barshefsky said. The European Parliament urged the EC Commission not to request WTO consultations. This is a counterproductive step, particularly in light of efforts that the United States and the EC have both taken to exert pressure on the repressive Burma regime."

USTR will continue to consult with officials from the state of Massachusetts and the EC in an effort to reach a mutually satisfactory resolution, without prejudice to the rights of the United States under the WTO agreements.

The Massachusetts law applies a pricing penalty on state procurements from companies that do business in Burma. At least one EC member State has actively encouraged similar measures by state governments.

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FOR IMMEDIATE RELEASE
Monday, June 23, 1997

97-59
Contact: Jay Ziegler
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USTR WELCOMES FIRST SHIPMENT OF SWEET CHERRIES TO CHINA

U.S. Trade Representative Charlene Barshefsky today welcomed the first shipment of U.S. sweet cherry exports to China as another step forward in the Administration's on-going efforts to open the Chinese market.

"China's first importation of sweet cherries is a hopeful step in our on-going efforts to increase market access for U.S. agriculture exports," said Ambassador Barshefsky. "This development follows the Administration's progress in gaining access to China's market last month for table grape producers. We will continue to press forward on the full range of market access issues in China from phytosanitary restrictions on agricultural exports to telecommunications and other products and professional services."

The first shipment of U.S. sweet cherries from Washington State arrived in China on June 20, 1997. USDA estimates the sweet cherry market could be worth \$8 to \$12.5 million over the next three to five years. U.S. sweet cherry market exports bound for China are expected to expand from Washington State to Idaho, Oregon and California.

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97-60

FOR IMMEDIATE RELEASE
Wednesday, June 25, 1997

Contact: Jay Ziegler
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AMBASSADOR CHARLENE BARSHEFSKY WELCOMES U.S. MAYORS' SUPPORT FOR FAST TRACK NEGOTIATING AUTHORITY

The U.S. Conference of Mayors yesterday issued a unanimous resolution in support of providing Fast Track negotiating authority to the President. The Mayors issued their resolution at the annual meeting of the U.S. Conference of Mayors.

"The support of the Mayors underscores the importance of trade in America's economic future. We welcome their strong endorsement of an aggressive trade agenda and the need for Fast Track authority to further open markets to U.S. exports," said U.S. Trade Representative Barshefsky.

A text of the resolution is attached.

FAST TRACK TRADE EXPANSION AUTHORITY

1. **WHEREAS,** The U.S. Conference of Mayors is deeply concerned with job creation, economic growth, and expanding economic prosperity throughout all of America; and

2. **WHEREAS,** the U.S. is the biggest player in international trade, accounting for 12 percent of all world goods exports and 16 percent of all world services exports; and

3. **WHEREAS,** U.S. exports accounts for about 11 percent of our Gross Domestic Product and the U.S. exported $835.4 billion in goods and services 1996 with 1.4 million new trade-related jobs created over the last four years; and

4. **WHEREAS,** growth in U.S. exports has been responsible for about one-third of our economic growth over the last 10 years; and

5. **WHEREAS,** between 1986 and 1994, jobs supported by exports rose 63 percent -- more than four times faster than overall private industry job growth; and

6. **WHEREAS,** many of these jobs depend upon continued access to foreign markets and increased openness of those markets; and

7. **WHEREAS,** fast-track gives the President the negotiating authority necessary to conclude increasingly complex trade agreements to guarantee access for U.S. products in foreign markets; and

8. **WHEREAS,** without fast-track authority the ability of the U.S. to expand and open markets around the world will be seriously constrained and U.S. businesses will lose market opportunities and jobs to foreign competitors; and

9. **WHEREAS,** every United States President since 1974 has received fast-track trade negotiation authority from Congress,

10. **NOW, THEREFORE, BE IT RESOLVED** that The U.S. Conference of Mayors resolve that the U.S. Congress should enact the appropriate legislation to grant the President fast-track negotiating authority.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
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WASHINGTON, D.C.
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FOR IMMEDIATE RELEASE
Friday, June 27, 1997

97-61
Contact: Jay Ziegler
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BARSHEFSKY HAILS SIGNING OF
U.S.-VIETNAM COPYRIGHT AGREEMENT

U.S. Trade Representative Charlene Barshefsky hailed the signing today of an agreement establishing copyright relations between the United States and Vietnam. The agreement was signed in Hanoi, Vietnam, by Secretary of State Madeleine Albright and Vietnamese officials. "This agreement, which requires copyright protection for U.S. motion pictures, sound recordings, software, and published works in Vietnam for the first time, is an important step toward ensuring effective intellectual property protection for some of our most competitive industries in this growing market," Ambassador Barshefsky said. "The effective protection of all forms of intellectual property is essential to the development of mutually beneficial commercial relations, especially in rapidly developing regions such as South East Asia."

The U.S.-Vietnam copyright agreement, in which each country will extend copyright protection to all works created in the other country or otherwise created by nationals of the other country, was negotiated by USTR and Vietnamese officials over the course of a number of months and finalized in April. It will enter into force no later than 6 months after its signing today. The United States and Vietnam continue to work on the negotiation of a bilateral trade agreement, necessary for the extension of normal or most-favored-nation trading status to Vietnam, which, among other things, will contain a more comprehensive chapter on the protection of all types of intellectual property.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
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97- 62

FOR IMMEDIATE RELEASE
Monday, June 30, 1997

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WTO APPELLATE BODY EXPANDS U.S. VICTORY IN CHALLENGE TO CANADA'S RESTRICTIONS ON U.S. MAGAZINE EXPORTS

The Appellate Body of the World Trade Organization (WTO) has affirmed a finding of a dispute settlement panel that Canada's 80 percent excise tax on "split-run" magazines violates WTO trade rules. The rules are set out in the General Agreement on Tariffs and Trade (GATT 1994), one of the trade agreements administered by the WTO. In addition, the Appellate Body found that Canada's postal subsidy for domestic magazines also violates GATT 1994, reversing the panel's earlier decision.

"The Canadian magazine practices we challenged greatly restrict the ability of our industry to compete in Canada. We are gratified that all of these discriminatory measures have been found to violate GATT," said U.S. Trade Representative Charlene Barshefsky. "This case makes clear that WTO rules prevent governments from using 'culture' as a pretense for discriminating against imports. We look for prompt action by Canada to bring its magazine regime into compliance with its international obligations."

Canada had not appealed the panel's findings in favor of the United States that Canada's import ban on certain magazines and its discriminatory "commercial" postal rates violated GATT rules. These conclusions therefore stand.

The Appellate Body report will be circulated on today, Monday, June 30 to all WTO Members. The Appellate Body report, entitled *Canada -- Certain Measures Concerning Periodicals*, will be available for copying in USTR's public reading room.

Background

On March 11, 1996, USTR initiated a section 301 investigation and requested consultations under GATT 1994 with the Government of Canada to address certain Canadian measures affecting magazines, including: measures prohibiting or restricting the importation into Canada of certain magazines, tax treatment of so-called "split-run" magazines, and the application of favorable postage rates to certain Canadian magazines. When the consultations failed to produce a mutually satisfactory solution, the United States requested that a WTO panel be formed to consider these issues. A panel was established on June 19, 1996. The panel's interim report was issued to the two parties on January 16, 1997, its final report was issued to the two parties on February 21, and its final report was circulated to all WTO Members on March 14.

The United States initiated the section 301 investigation and requested consultation after Canada's parliament imposed an 80% tax on revenue from advertisements placed in Canadian editions of so-called "split-run" magazines. Split-run magazines are periodicals sold both in Canada and abroad, in which the Canadian edition contains advertisements directed at a Canadian audience. The tax was calculated to put the Canadian edition of *Sports Illustrated*, published by Time Canada, Ltd., a subsidiary of Time Warner, Inc., out of business.

The tax is the latest in a series of Canadian measures to protect the Canadian magazine publishing industry from U.S. competition. For example, since the mid-1960's, Canada has banned the importation into Canada of magazines that contain even small amounts of advertising directed at Canadian consumers. And for many years Canada has charged higher postage rates for magazines not produced in Canada by Canadian-owned companies.

In its report, the panel found that:

- Canada's import ban violates GATT Article XI, and is not justified as an exception under Article XX.

- Canada's 80% excise tax violates Canada's national treatment obligations under GATT Article III:2. The Panel found that the tax drew an artificial distinction between split-run and non-split-run magazines, which are "like products," and applied the excise tax only to split-runs.

- Canada's discriminatory postal rates for magazines mailed in Canada accord less favorable treatment to imported magazines than to like Canadian magazines, in violation of GATT Article III:4. However, the Panel found that this violation was excused in the case of Canada's so-called "funded" postal rates, because these rates qualify as a subsidy within the meaning of GATT Article III:8(b).

Canada appealed the panel's conclusion that its 80% excise tax violates GATT Article III:2. The United States contested Canada's claims on appeal, and also appealed the panel's conclusion that the "funded" postal rates qualify as subsidies under GATT Article III:8(b).

In its report, the Appellate Body rejected Canada's claim regarding the excise tax, and affirmed the panel's conclusion that the excise tax was inconsistent with Article III:2 of GATT 1994. With respect to the U.S. appeal on "funded" postal rates, the Appellate Body reversed the decision of the panel and concluded that these postal rates do not constitute subsidies under Article III:8(b) of GATT 1994. The effect of this decision on Article III:8(b) is these postal rates have been determined to violate Article III:4 of GATT 1994.

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FOR IMMEDIATE RELEASE
Wednesday, July 2, 1997

Contact: Jay Ziegler
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WTO ADOPTS GUIDELINES FOR RECOGNITION OF QUALIFICATIONS IN THE ACCOUNTANCY SECTOR

U.S. Trade Representative Charlene Barshefsky welcomed the adoption of guidelines for recognition of qualifications in the accountancy sector, agreed to recently by the World Trade Organization. "This is another step toward removing impediments to trade and investment in services," said Ambassador Barshefsky. "It will make it easier for accountants to serve foreign markets."

The recent action by the WTO Council on Trade in Services approved a set of guidelines for mutual recognition agreements in accountancy intended to bridge the differences in national licensing systems and bring about recognition between countries of the licensing, certification, education and experience of accountants. The WTO guidelines are voluntary and non-binding; they are broad and flexible so as to accommodate the wide variety of licensing systems for accountancy around the world. Guidelines developed for the accountancy profession may also be useful for other professions that are interested in facilitating their international presence.

Professional services comprise a dynamic sector that is vital to the efficient operation of a modern economy. In the United States, the sector consists of some 30 million professionals (including about 1.5 million accountants). Professionals make up about one-quarter of the nation's non-agricultural workforce. U.S.-based accounting firms are highly competitive internationally. Foreign sales by accounting, research, management and related services exceed $5.5 billion annually.

Copies of the guidelines are available from the WTO's website:
"http://www.wto.org/wto/Whats_new/press73.htm"

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97- 64

FOR IMMEDIATE RELEASE
Thursday, July 3, 1997

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USTR BARSHEFSKY ANNOUNCES ESTABLISHMENT OF JAPAN OFFICE AND PERSONNEL ASSIGNMENTS AT USTR

U.S. Trade Representative Charlene Barshefsky today announced the creation of a separate Japan Office and a series of new assignments at USTR including the appointment of Wendy Cutler to lead the new Japan Office effective July 14.

"The volume, importance, and sensitivity of Japan trade issues warrants the full time attention of an office dedicated exclusively to Japan trade issues so I am pleased to establish such an office for the first time at USTR," said Ambassador Barshefsky. "To raise the profile of these issues within USTR, I am assigning Wendy Cutler as the first Assistant U.S. Trade Representative (AUSTR) for Japan. Wendy's extensive experience in working on Japan trade issues makes her the ideal candidate for this new position."

During her nine years at USTR, Ms. Cutler has dedicated five years exclusively to working on Japan trade issues. From 1991-1993, she was responsible for the implementation of the landmark U.S.-Japan Semiconductor Arrangement. Through her skill and persistence, Ms. Cutler was instrumental in getting the Japanese to take the necessary steps to open its semiconductor market which resulted in an increase in foreign market share from 14.3 percent to over 20 percent.

From 1993-1996, Ms. Cutler served as the Deputy Assistant U.S. Trade Representative for Japan. In this position, she was integrally involved in virtually every policy decision and negotiation regarding Japan. Because of her in-depth knowledge of issues related to Japan, she was called upon to lead the U.S. negotiating team on a wide range of key trade issues including telecommunications procurement, deregulation, intellectual property protection for sound recordings and market opening initiatives in insurance, autos, and computers. Since May 1996, Wendy has served as the AUSTR for Services, Investment and Intellectual Property where she has also worked closely with the Japanese on a number of investment and services multilateral trade negotiations.

Jim Southwick will depart USTR after four years of extraordinary service, serving with distinction as the Deputy AUSTR for Japan for the last two years. Mr. Southwick is leaving federal service to practice law in Minneapolis, Minnesota. Mr. Southwick worked successfully on a myriad of trade issues with Japan, including autos, insurance, and deregulatory initiatives.

Byron Sigel has been named to replace Mr. Southwick as the Deputy AUSTR for Japan. Mr. Sigel possesses unique expertise in Japan trade issues. Since 1995, Mr. Sigel has been the Director for Japanese Affairs at USTR. As a Foreign Service Officer in the State Department, he was twice stationed to the American Embassy in Tokyo for a period of over three years, serving in both the Embassy's economic and commercial sections. In his current position, Mr. Sigel was one of the lead negotiators during talks last year with Japan on insurance deregulation. In addition, he crafted and implemented U.S. policy on distilled spirits through the first case ever to be referred to arbitration under the dispute settlement process of the WTO. Mr. Sigel was also the lead negotiator behind the significant new agreement with Japan on deregulation and competition policy concluded at the recent Denver summit. He earned a doctorate at the University of Tokyo and speaks fluent Japanese.

Ambassador Barshefsky will appoint Joe Papovich to serve as Acting AUSTR for Services, Investment, and Intellectual Property until that position is permanently filled. For the past three years, Mr. Papovich has been the Deputy AUSTR for Intellectual Property in the Services Office. Mr. Papovich is a very versatile and dedicated negotiator with 14 years of service at USTR in the Offices of Industry, Agricultural Affairs, Europe, and Services.

Don Eiss will be detailed to serve as Acting AUSTR for Industry. Mr. Eiss has been the Deputy AUSTR in that shop for ten years. Through Mr. Eiss's service as Acting AUSTR, the agency will not miss a beat in managing the important business of the Industry unit.

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97-65

FOR IMMEDIATE RELEASE
Thursday, July 10, 1997

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MEDIA ADVISORY

THREE YEAR NAFTA REPORT TO BE OUTLINED AT NEWS BRIEFING TOMORROW

Senior Clinton Administration Officials and Cabinet Members will announce the findings of a three year study of the North American Free Trade Agreement (NAFTA) at a roundtable news briefing tomorrow, Friday, July 11 at 10:00 a.m. in the Truman Room at the White House Conference Center (726 Jackson Place).

Treasury Secretary Bob Rubin, Commerce Secretary William Daley, U.S. Trade Representative Charlene Barshefsky, Assistant to the President for Economic Policy Gene Sperling, Counselor to the President Mack McLarty, Chair of the CEA Janet Yellen, and their senior advisors will discuss the findings of the report in an informal briefing.

The report will be posted on the USTR website following the news briefing at www.ustr.gov.

Editor's note: Because of limited space television crews interested in covering the event should contact USTR at (202) 395-3230 to reserve camera spots. The room will be open for set up at 9:30 a.m.

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FOR IMMEDIATE RELEASE
Monday, July 14, 1997

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JOINT STATEMENT BY U.S. TRADE REPRESENTATIVE CHARLENE BARSHEFSKY AND TREASURY SECRETARY ROBERT RUBIN ON THE U.S. OFFER IN THE WTO FINANCIAL SERVICES NEGOTIATIONS

Today, the United States is submitting a new and comprehensive MFN based offer, on a conditional basis, to our trading partners in the WTO Financial Services negotiations. We are proposing to bind in the WTO substantially full market access and national treatment to foreign banking, securities, and insurance service suppliers in the United States' financial services market, the largest in the world. To make this offer permanent by the December 1997 negotiating deadline, it is critical that our trading partners, especially the key emerging markets, submit significantly improved offers that establish a level playing field for U.S. firms to compete effectively.

This conditional U.S. offer fully incorporates financial sector liberalization undertaken in our markets, and reflects important improvements over our 1995 WTO commitments:

- First and foremost, the United States is proposing to lock in a broad Most Favored Nation commitment to provide access to the world's largest and most open financial market.

- On the banking side, the U.S. offer reflects recent liberalization in this sector with regard to interstate banking and interstate branching. In addition, the United States is actively considering a package of major reforms which will further modernize our financial industry. We will work to ensure that foreign participants in the U.S. market also receive the benefit of measures which are adopted.

- On the insurance side, the United States is prepared to remove state residency and citizenship requirements for foreign insurers and eliminate restrictions on issuance of insurance licenses in several key states.

With this offer, we are underscoring that the United States is fully committed to reaching a successful conclusion to the WTO negotiations. Now it is up to our trading partners to demonstrate their commitment by putting forward significantly improved offers in the weeks ahead. These offers should also permit U.S. firms to establish as a branch or to incorporate without ownership restrictions, and to fully participate throughout the market on the basis of national treatment. The United States is willing to consider phased-in commitments in certain cases to facilitate market opening. These offers should allow U.S. firms to maintain their existing activities.

The objective of these negotiations is to secure greater liberalization of trade in insurance, banking, securities and other financial services. The United States is committed to seeking a comprehensive agreement that provides substantially full market access and national treatment to U.S. financial services providers in foreign markets. In this negotiation, we are consulting extensively with U.S. industry, which has been actively engaging their foreign counterparts.

THE UNITED STATES OF AMERICA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
7. FINANCIAL SERVICES			
A. INSURANCE: (Limited to Insurance): 1. Commitments in this subsector are undertaken pursuant to the alternative approach to scheduling commitments set forth in the Understanding on Commitments in Financial Services. 2. National treatment commitments are subject to the following limitation: national treatment with respect to services and service suppliers will be provided according to a non-U.S. service supplier's state of domicile in the United States, where applicable. State of domicile is defined as the state in which an insurer is incorporated, is organized or maintains its principal office in the United States.			
Direct Insurance a) Life, Accident, and Health Insurance Services (except workers compensation insurance) b) Non-Life Insurance Services	1) Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New Jersey (only with respect to surplus lines), New York (non-life companies are authorized; life and health companies are not), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming. 2) None	1) A one per cent federal excise tax is imposed on all life insurance premiums and a four per cent federal excise tax is imposed on all non-life insurance premiums covering US risks that are paid to companies not incorporated under US law, except for premiums that are earned by such companies through an office or dependent agent in the United States. When more than 50 per cent of the value of a maritime vessel whose hull was built under federally guaranteed mortgage funds is insured by a non-US insurer, the insured must demonstrate that the risk was substantially first offered in the US market. 2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	3) Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New Jersey (only with respect to surplus lines), New York (non-life companies are authorized; life and health companies are not authorized), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming. Branches are not permitted to provide surety bonds for US federal government contracts. The following states have no mechanism for licensing initial entry of a non-US insurance company as a subsidiary, unless that company is already licenced in some other US state: Minnesota, Mississippi, and Tennessee.	3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	The following states have no mechanism for licensing initial entry of a non-US insurance company as a branch, unless that company is already licenced in some other US state: Arkansas, Arizona, Connecticut, Georgia, Hawaii, Kansas, Maryland, Minnesota, Nebraska, New Jersey, North Carolina, Pennsylvania, Tennessee, Utah, Vermont, Wyoming, West Virginia. US citizenship is required for members of the board of directors of locally established and licenced companies in the following states and in the following shares or numbers: 100 per cent required in Louisiana; three-quarters in Washington (mutual life companies with the majority of the board being resident in the state); two-thirds required in Oklahoma (for stock and mutual companies) and Pennsylvania; a majority required in California (for mutual insurers operating as authorized insurers only in the state of California), Florida (for stock and mutual insurers), Georgia (for stock and mutual insurers with one fourth resident in the state), Idaho (for stock and mutual insurers), Indiana, Kentucky, Mississippi, Ohio (for legal reserve life insurers), Oregon, New York, South Dakota (except if more than 1000 persons are entitled to vote for the board of directors and a majority of the voters reside		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	outside the state, or less than one per cent of the shares are owned by state residents), Wyoming (for an insurer operating as an authorized insurer only in Wyoming); seven in Tennessee (for mutual life insurance companies; three resident in Illinois (for stock, mutual, or legal reserve insurers) and Missouri (life and accident).		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	US citizenship for incorporators of insurance companies is required in the following states and in the following percentages or numbers: 100 per cent in Hawaii, Idaho (for stock or mutual insurer), Indiana, South Dakota and Washington; two-thirds in Arizona (for stock and mutual insurers), two-thirds resident in Georgia (for stock and mutual insurers); a majority in Alaska, Florida (for stock and mutual insurers), Arkansas (majority for mutuals or stock), Kansas (all life insurance companies and mutual insurers other than life), Kentucky (for mutual or stock insurers); Maine (life, health, and accident and mutual aid assoc with state residency for mutuals), Missouri (minimum 13 with overall majority resident in the state), Montana (stock or mutual insurers), Texas (life, health, accident and mutal aid assoc with state residency for mutuals), Wyoming (for reserve stock and mutual insurers). State residency is required in the following states for the organizing members of the following types of mutual insurance companies: Arkansas (mutuals and farm mutual insurers), California (county mutual fire insurer); Idaho (all mutuals); Kansas (all mutuals); North Dakota (all mutuals), Minnesota (township mutuals, farmers mutual fire insurance companies); Mississippi (all mutuals); Montana (farm mutual insurer); Vermont (fire cooperatives); Wyoming (farm mutual insurer).		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Seven or more US citizens, a majority of whom are residents of the state, may organize a fraternal benefit society in the following states: Alaska, Arizona (requires 10 or more US citizens, a majority of whom are citizens of the state), Arkansas, California, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, North Dakota, Oklahoma (requires 10 or more US citizens, a majority of whom are residents of the state), Oregon, Pennsylvania, South Dakota, Virginia, Vermont, Washington, West Virginia and Wyoming. Twenty-five or more persons domiciled in the state may organize a domestic reciprocal insurer in: Arizona, Arkansas, California, Delaware, Georgia, Idaho, Indiana, Kentucky, Maine, Maryland, Mississippi, Montana, Pennsylvania, South Dakota, Tennessee, Vermont, Virginia, Washington and Wyoming.	4) Unbound, except as indicated in the horizontal section	
	4) Unbound, except as indicated in the horizontal section		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
c) Reinsurance & Retrocession	1) Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New York (non-life companies are authorized; life and health companies are not), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming. Insurance companies incorporated in Nevada may purchase reinsurance only from an insurer admitted to Nevada. All insurers writing workers' compensation insurance in Minnesota must purchase reinsurance from the Minnesota Workers' Compensation Reinsurance Authority. Unbound for Maine for the provision of reinsurance for workers' compensation.	1) A one per cent federal excise tax is imposed on all premiums covering US risks that are paid to companies not incorporated under US law, except for premiums that are earned by such companies through an office or dependent agent in the United States. In Texas, total direct reinsurance of mutual life insurance companies may not be entered into with non-US companies.	
	2) Insurance companies incorporated in Nevada may purchase reinsurance only from an insurer admitted to Nevada. All insurers writing workers' compensation insurance in Minnesota must purchase reinsurance from the Minnesota Workers' Compensation Reinsurance Authority. Unbound for Maine for the provision of reinsurance for workers' compensation.	2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	3) Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New York (non-life companies are authorized; life and health companies are not), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming. The following states have no mechanism for licensing initial entry of a non-US insurance company as a subsidiary, unless that company is already licenced in some other US state: Maryland, Minnesota, Mississippi, and Tennessee. After a licence is obtained in some other US state, licensing and entry into the states listed above is permitted.	3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	The following states have no mechanism for licensing initial entry of a non-US insurance company as a branch, unless that company is already licenced in some other US state: Arkansas, Arizona, Connecticut, Georgia, Kansas, Maryland, Minnesota, Nebraska, New Jersey, North Carolina, Pennsylvania, Tennessee, Utah, Vermont, Wyoming, West Virginia. After a licence is obtained in some other US state, licensing and entry into the states listed above is permitted. 4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
d) Services Auxiliary to Insurance: (applicable to sub-sectors i), ii) and iii) below)	1), 3) Nonresident licenses are not issued to individuals not licensed in another US state in Arkansas (agents, brokers, adjusters, consultants), Connecticut (producers/ adjusters/appraisers/consultants/brokers/ reinsurance intermediary), Colorado (producer, adjuster and reinsurance intermediary), California (agents/brokers), Delaware (broker/agent/reinsurance intermediary), Georgia (counsellor/adjuster), Florida (agent/broker), Hawaii, Illinois (producers/ adjusters/reinsurance intermediaries), Indiana (agent/broker), Kansas (agent/broker), Kentucky (agent/broker), Louisiana (agent/broker), Maine (agent/broker), Maryland (agent/broker/ reinsurance agent/reinsurance broker), Mississippi (agent/broker), Missouri (brokers), Montana (producer's license/agent/broker), Nevada (solicitor/adjuster/property bondsman/bail solicitor), New Jersey (producer's agent/broker), New Mexico (bailbondsmen/solicitors/broker agent), North Dakota (agents/brokers)		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Nebraska (producer's license/agent/broker), New York (reinsurance intermediary), North Carolina (reinsurance intermediary), Oregon (agent/adjuster/consultant/reinsurance intermediary), Pennsylvania (adjuster/solicitor), South Dakota (agent), Virginia (agents/brokers/consultants), West Virginia (broker/reinsurance intermediary) and Texas (agent/broker), Washington (agent/broker).		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
i) Brokerage Services[1]	1), 3) Brokerage licences are not issued to non-residents in: South Dakota, Wyoming. Brokerage licences are issued to non-residents for only certain lines of insurance in: Alabama (all except life, accident & health), Arkansas (property, casualty, surety & marine), California, Louisiana (property & casualty), New Mexico (property & casualty). All states require in-state residency for surplus lines brokers. 2) None 4) Unbound, except as indicated in the horizontal section.	1), 3) Higher licence fees for non-residents may be charged in: Alaska, Arizona, Arkansas, California, Colorado, Georgia, Indiana, Louisiana, Maine, Massachusetts, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont. 2) None 4) Unbound, except as indicated in the horizontal section.	

1. For transparency purposes, it should b e noted that brokerage firms can generally offer services in most states by obtaining licences as "brokers" and in other states by obtaining licences to operate as "agents". Brokerage licences are not issued in Florida, Iowa, Kentucky, Michigan, Minnesota, Mississippi, Oregon, Tennessee, Texas, Virginia, West Virginia, Wisconsin.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
ii) Agency Services	1), 3) Agency licences are issued to non-residents for all or only certain lines of insurance in: California, Florida (general lines, life & health), Kansas, Kentucky (general lines, life & health), Louisiana (life & health), New Mexico (life & health), Ohio (life & casualty), Oregon, Rhode Island (all except general lines), Texas. All states require in-state residency for surplus lines agents. 2) None 4) Unbound, except as indicated in the horizontal section	1), 3) Higher licence fees for non-residents may be charged in: Alaska, Arkansas, California, Colorado, Florida, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Wisconsin, Wyoming. 2) None 4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
iii) Consultancy, Actuarial, Risk Assessment, and Claim Settlement Services	1), 3) Licenses are not issued to nonresidents in: Alabama (adjuster, solicitor, service representative), California (adjuster, insurance analyst, motor club agents, bail bondsman), Florida (customer representative), Georgia (counselor, adjuster), Hawaii (adjuster, solicitor), Idaho (solicitor), Indiana (bail bondsmen), Kentucky (adjuster), Maryland (adjuster), Michigan (adjuster), Montana (adjuster), Nevada (solicitor, adjuster, property bondsman), New Mexico (solicitor), North Carolina (limited representatives, adjusters, motor vehicle damage appraisers, professional bondsmen, runners), Oklahoma (bail license), Oregon, Pennsylvania (motor vehicle damage appraiser), Washington (solicitor, adjuster), West Virginia (adjuster, solicitor), and Wyoming (adjuster, solicitor).	1), 3) In-state residency is required for licensure in: California (for adjusters; and for life and disability insurance analysts), Georgia (for inspection when not accompanied by a licenced resident adjuster), Illinois (for non-resident public adjusters who are licenced in a state which does not permit equal treatment to Illinois residents),Maryland, Mississippi (for independent adjusters), and Nevada (for appraisers and adjusters).	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	US citizenship is required for licensure in: Alabama (for agents, brokers, solicitors, managing general agents and service representatives), Idaho (for agents, brokers, solicitors and surplus lines brokers), Missouri (for brokers), Nebraska (for brokers), New Mexico (for solicitors and bailbondsmen), Ohio (for surplus lines brokers) and Oklahoma (for bail license). 2) None 4) Unbound, except as indicated in the horizontal section.	2) None 4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments

THE UNITED STATES OF AMERICA - SCHEDULE OF SPECIFIC COMMITMENTS

B. FINANCIAL SERVICES (LIMITED TO BANKING AND OTHER FINANCIAL SERVICES AND EXCLUDING INSURANCE):

1. Commitments in these subsectors are undertaken in accordance with the Understanding on Commitments in Financial Services (the Understanding). Specifically, market access commitments under modes (a)-(d) as set forth in paragraph 2 of Article I of the Agreement are undertaken only with respect to the Understanding and paragraph 1 of Article XVI of the Agreement.

2. National treatment commitments are subject to the following limitation: National treatment will be provided according to the foreign bank's "home State" in the United States, where applicable, as that term is defined under the International Banking Act. [1]

3. Service suppliers choosing to supply a service through a juridical person constituted under the laws of the United States are subject to non-discriminatory limitations on juridical form. [2]

4. It is understood that paragraph 4 of the Understanding does not require that non-resident financial service suppliers be permitted to solicit business, and no commitment to such solicitation is undertaken.

5. The offer of new financial services or products is subject, on a non-discriminatory basis, to relevant institutional and juridical form requirements.

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1. Foreign banking organizations are generally subject to geographic limitations in the United States on a national treatment basis. Where geographic limits do not conform to national treatment, they have been reserved as market access restr ictions. For purposes of illustration, under this approach the following situations do not accord national treatment and are therefore scheduled as limitations: 1) where a foreign bank from a particular home State is accorded less favorable treatment than that accorded to a domestic bank from that State with respect to expansion by branching, and 2) where a foreign bank is treated less favorably than a domestic bank holding company from the foreign bank's home State with respect to expansion through acquisition or establishment of a bank subsidiary.

2. For example, partnerships and sole proprietorships are generally not acceptable juridical forms for depository financial institutions in the United States.

UNITED STATES OF AMERICA (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
All Subsectors, except as specifically provided below	1),2),3) Michigan limits, according to the country of their home charters, the banks in which corporate credit unions may place deposits.	1) None 2) None	
	3) All directors of a national bank must be citizens unless a national bank is an affiliate or subsidiary of a foreign bank, in which case only a majority of the board need be citizens. Foreign ownership of Edge corporations is limited to foreign banks and US subsidiaries of foreign banks, while domestic non-bank firms may own such corporations. Federal and state law do not permit a credit union, savings bank, home loan or thrift business in the United States to be provided through branches of corporations organized under a foreign country's law. In order to accept or maintain domestic retail deposits of less than $100,000, a foreign bank must establish an insured banking subsidiary. This requirement does not apply to a foreign bank branch that was engaged in insured deposit-taking activities on December 19, 1991.	3) Foreign banks are required to register under the Investment Advisers Act of 1940 to engage in securities advisory and investment management services in the United States, while domestic banks are exempt from registration. The registration requirement involves record maintenance, inspections, submission of reports and payment of a fee. Foreign banks cannot be members of the Federal Reserve System, and thus may not vote for directors of a Federal Reserve Bank. Foreign-owned bank subsidiaries are not subject to this measure.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	3) Unbound for initial entry by establishment or acquisition of state chartered or licensed banks as indicated in the following forms: California (branch; also savings and loan association); Connecticut (bank or holding company; also credit union); Georgia (agency); Illinois (branch); Kentucky (subsidiary); Louisiana (agency); Massachusetts (subsidiary or branch); Michigan (agency); North Carolina (subsidiary, branch, agency, or representative office); Pennsylvania (any deposit-taking or representative bank office); Texas (agency); Washington (branch, agency, or representative office). The limitations in this paragraph do not apply to initial establishment or acquisition of a national bank subsidiary, branch or agency by a foreign person that does not already have a banking presence in the United States, or to interstate expansion.		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	The following states are unbound for the specified activities: Indiana (establishment of service offices by foreign-owned credit unions); Iowa (activities of foreign-owned savings and loan associations; foreign-owned bank or trust company acting as fiduciary; use of satellite banking terminals).		

UNITED STATES OF AMERICA (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Initial entry or expansion by a foreign person (but not a domestic person) through acquisition or establishment of a commercial bank subsidiary is prohibited or otherwise limited in the following states: Alabama; Arizona; Arkansas; California (limit on foreign non-bank ownership of international banking corporation); Colorado; Delaware; Indiana; Kansas; Louisiana; Maryland; Michigan; Minnesota; Mississippi; Montana; Nebraska; Nevada; New Jersey; North Carolina; North Dakota; Ohio; Oklahoma; Oregon; Pennsylvania; South Carolina; Tennessee; Vermont; Virginia; Washington; West Virginia; Wisconsin; Wyoming. The limitations in this paragraph do not apply to establishment or acquisition of a national bank subsidiary by a foreign person that does not already have a banking presence in the United States. The following states limit initial entry or expansion by a foreign person through acquisition or establishment of the following entities: Delaware (savings and loan associations); Ohio (savings and loan associations; savings banks; credit unions);		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Tennessee (savings and loan associations; savings banks; credit unions; trust companies); Washington (savings and loan associations; savings banks; credit unions; trust companies). The boards of directors of depository financial institutions organized under the following states' laws are subject to citizenship requirements of up to the specified proportions: Alabama (all); Colorado (3/4); District of Columbia (all); Florida (majority); Georgia (all); Indiana (3/4); Iowa (majority); Kentucky (all); Louisiana (3/5); Massachusetts (3/4); Mississippi (all); Missouri (all); New Hampshire (majority); New Jersey (all); New Mexico (3/4); New York (all; applies also to trustees of mutual savings bank or savings and loan associations, and to committees of credit unions); North Carolina (3/4); North Dakota (majority); Ohio (3/4); Oklahoma (majority); Oregon (majority); Pennsylvania (all); South Dakota (3/4); Tennessee (3/4); Vermont (2/3); Virginia (majority); Wisconsin (2/3).		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Citizenship is also required for the incorporators or organizers of depository financial institutions organized under state law. Residence within a state may also be required for directors, incorporators, organizers, or executive committee members of depository financial institutions organized under state law. Citizenship is required to engage in specified activities in the following states: Arizona (collection agency); Indiana (collection agency); Illinois (safe deposits); Nevada (collection agency); Rhode Island (member of mutual savings bank).		

UNITED STATES OF AMERICA (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Establishment of a direct branch or agency by a foreign bank is limited as specified in the following states: • State branch licence subject to specified limitations -- California (no trust/fiduciary powers); Illinois (restricted to Chicago business district); Massachusetts; Oregon; Pennsylvania; Washington (limited trust/fiduciary powers and restricted to one office per bank). These limitations do not apply to Federal branches. • State branch licence not available, but state agency licence is in Idaho and Michigan. • No state branch or agency licence available -- Arizona; Arkansas; Colorado; Indiana; Iowa; Maine; Minnesota; Montana; Nebraska; Nevada; New Hampshire; New Mexico; North Dakota; Ohio; Oklahoma; Rhode Island; South Carolina; South Dakota; Tennessee; Utah; Vermont; Virginia; Wisconsin. These limitations do not apply to Federal offices.	3) Texas allows pre-judgment seizure remedies and civil discovery requests to be applied against foreign bank agencies, while subsidiaries are exempt. The following states require direct branches or agencies of foreign banks to register under securities broker-dealer or investment adviser measures, while bank subsidiaries of foreign banks are exempt from such registration to the same extent as domestic banks incorporated in the state: Alabama; Arizona; Arkansas; California; Connecticut; Delaware; District of Columbia; Georgia; Idaho; Illinois; Iowa; Kansas; Kentucky; Louisiana; Maine; Maryland; Mississippi; Missouri; Montana; Nebraska; New Hampshire; New Jersey; New Mexico; New York; North Carolina; Ohio; Oklahoma; Pennsylvania; South Dakota; Tennessee; Texas; Vermont; Washington. These limitations do not apply to Federally licenced branches or agencies.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	• Branch licence not available but agency licence is, subject to any specified limitations -- Delaware (state licence limited to one office per bank and cannot operate in a manner likely to result in a substantial detriment to existing bank; no fiduciary powers); Florida (available only to a foreign bank with at least $25 million in capital or that is one of five largest banks in its home country); Georgia (available only to foreign bank with at least $50 million in excess of liabilities; no fiduciary and limited other powers); Hawaii (foreign bank must have $10 billion in assets and be at least 10 years old; limited fiduciary powers); Louisiana (limited to parishes with more than 350,000 residents); Mississippi; Missouri (no fiduciary powers); Oklahoma (foreign bank must have at least $25 million in capital or, <u>inter alia</u>, be one of five largest banks in its home country; special asset maintenance/capital equivalency rules apply, as do other restrictions); Texas (one office only, limited to counties with at least 1.5 million residents; no fiduciary powers).	The following states require direct branches or agencies of foreign banks, but not bank subsidiaries of foreign banks, to register or obtain licences in order to engage in the following activities: Arkansas (selling checks; mortgage transactions); California (selling payment instruments); Delaware (sale or cashing of checks, drafts, money orders; motor vehicle financing; transportation of money/valuables); Georgia (mortgage lending/brokerage); Indiana (money transmission; loan brokerage); Kansas (money transmission); Maryland (selling payment instruments, traveler's checks); Massachusetts (check selling/cashing; foreign transmittal agencies; motor vehicle financing; insurance premium financing; retail instalment sales/servicing; residential real estate mortgage financing); North Carolina (selling checks); Oklahoma (selling checks); Pennsylvania (mortgage banking/brokerage); Tennessee (money transmission; residential lending/brokerage; industrial loan and thrift activities); Texas (currency	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
		exchange or transmission -- does not apply to Texas agencies; selling checks); Virginia (mortgage lending/brokerage; money transmission; sale of money orders; check cashing); Wisconsin (selling checks).	
	• No branch or state agency licence available -- Wyoming. • No branch or agency licence available -- Alabama; Kansas; Maryland; New Jersey; North Dakota; West Virginia.	The following states restrict various commodities transactions by foreign bank branches and agencies, but not by other depository financial institutions: Arizona; Idaho; Indiana; Iowa; Maine; Mississippi; Missouri; Nebraska; New Hampshire; Washington. Offers and sales of securities to foreign bank branches and agencies in the following states are subject to registration/disclosure requirements that do not apply if the transaction involves other financial institutions: Illinois; Indiana; Louisiana; Montana; Nebraska; New Jersey; North Dakota; Tennessee; Texas (applies to branches and agencies of all foreign financial institutions).	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	Representative offices of foreign banks are not permitted in the following states, or are limited as specified: Arizona; Arkansas; Colorado; Hawaii (foreign bank must have $10 billion in assets and be at least 10 years old); Kansas; Kentucky; Michigan; Mississippi; Montana; Nevada; New Hampshire; New Jersey; North Dakota; Ohio; Oklahoma (foreign bank must have at least $10 million in capital or, inter alia, be one of the five largest banks in its home country; special asset maintenance/capital equivalency requirements may apply); Oregon; Rhode Island; South Carolina; South Dakota; Tennessee; Utah; Vermont; Virginia; West Virginia; Wisconsin; Wyoming. Other states require incorporation of representative offices. 4) Unbound, except as indicated in the horizontal section.	4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Trading of Securities and Derivative Products and Services Related Thereto; Participation in Securities Issues	1), 2), 3) Federal law prohibits the offer or sale of futures contracts on onions, options contracts on onions, and options on futures contracts on onions in the United States, and services related thereto. Unbound for the authority to act as a sole trustee of an indenture for a bond offering in the United States. Unbound with respect to the use of simplified registration and periodic reporting forms for securities issued by small business corporations. 4) Unbound, except as indicated in the horizontal section.	1), 3) None (except as noted in the headnote above) 4)Unbound, except as indicated in the horizontal section.	
Participation in Issues of Government Debt Securities	1), 2) None 3) Unbound for the granting or continuation of Federal Reserve designation as a primary dealer in US government debt. 4) Unbound, except as indicated in the horizontal section.	1), 2) None 3) None (except as noted in the headnote above) 4) Unbound, except as indicated in the horizontal section.	

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
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97-68

FOR IMMEDIATE RELEASE
Tuesday, July 15, 1997

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UNITED STATES REQUESTS WTO DISPUTE SETTLEMENT CONSULTATIONS WITH INDIA REGARDING INDIA'S BALANCE OF PAYMENTS RESTRICTIONS

The United States requested today WTO dispute settlement consultations with India to address U.S. concerns regarding the phase-out of Indian quantitative restrictions on more than 2700 consumer and agricultural products.

"The United States is committed to seeing India prosper, but this can not be achieved if India continues to maintain a closed market," said Barshefsky. "We sincerely regret the inability of the Indian Government to propose a resolution satisfactory to its major trading partners during the WTO BOP Committee consultations June 30 to July 1. In view of these circumstances, the next logical step is to request WTO dispute settlement consultations."

WTO BOP provisions allow countries to temporarily impose measures that would normally be forbidden (i.e. import surcharges, quantitative restrictions) to respond to a legitimate balance of payments crisis. India has maintained import restrictions imposed on BOP grounds for decades. However, under current circumstances, India no longer meets WTO criteria for use of WTO BOP provisions, thus the measures currently in place are no longer justified.

Over the last two years, the United States and other WTO Members have sought to reach agreement with India on the phase-out of these measures within a reasonably short period, both bilaterally and in the WTO BOP Committee. On July 1, the BOP Committee concluded that there was no consensus on an appropriate phase-out plan.

The dispute settlement consultations requested today -- which are aimed at reaching a mutually acceptable staged elimination of India's import restrictions -- will be conducted pursuant to Article XXII of GATT 1994 and Article 4 of the WTO Dispute Settlement Understanding (DSU). The United States expects other of its major trading partners to make similar requests of India for consultations under WTO dispute settlement provisions in coming days.

Under WTO dispute settlement rules a minimum of 60 days consultation period is required before the formal requst for a panel may be made. The U.S. hopes to use this consultation period to encourage India to put forward an acceptable phase out plan.

Both the World Bank and the IMF have pointed out that Indian economic reforms require, in part, rapid elimination of remaining quantitative restrictions to succeed. Many other countries (e.g., Phillippines, Egypt, Turkey, Hungary, Poland, Brazil, Columbia, Argentina and South Africa) have in the recent past ceased use of the WTO BOP exception and eliminated their import restrictions fairly quickly once they no longer had a BOP problem.

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97-69

FOR IMMEDIATE RELEASE
Wednesday, July 16, 1997

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U.S. TRADE REPRESENTATIVE CHARLENE BARSHEFSKY WELCOMES REPORT BY U.S. AGRICULTURE GROUPS ON THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

U.S. Trade Representative Charlene Barshefsky welcomed today a report by U.S. agricultural groups highlighting the North American Free Trade Agreement's (NAFTA) benefits to U.S. agriculture. The coalition of agricultural groups also expressed their support for fast-track negotiating authority for the President.

"The report released yesterday by U.S. agricultural groups confirms that NAFTA has been good for the U.S. and good for our agricultural community. The success of the NAFTA in assuring market access for agriculture is a story about the importance of opening foreign markets," said Barshefsky. "U.S. agricultural exports have grown by 51 percent to Mexico and 17 percent to Canada since NAFTA went in to effect. If recent trends continue, exports could reach $30 billion per year by 2005 -- up from $11.6 billion in 1996."

Agricultural exports were at record levels last year, with Canada and Mexico the second and third largest markets for U.S. agricultural goods, accounting for about 10 and 9 percent of U.S. exports, respectively.

"The United States is the world's largest and most competitive exporter of agricultural commodities," said Barshefsky. "We welcome the support of U.S. agricultural groups for the NAFTA and fast-track negotiating authority, which is essential for future success in opening foreign markets on equal terms with our competitors."

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97-70

FOR IMMEDIATE RELEASE
Wednesday, July 23, 1997

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UNITED STATES AND KOREA SUCCESSFULLY CONCLUDE NEGOTIATIONS ON TRADE IN TELECOMMUNICATIONS GOODS AND SERVICES

U.S. Trade Representative Charlene Barshefsky announced today that the United States and Korea have concluded year-long negotiations which will expand opportunities in the growing Korean telecommunications market for U.S. equipment and services suppliers.

"The United States has worked aggressively to open the Korean telecommunications market for U.S. equipment and services suppliers," said Ambassador Barshefsky. "The commitments undertaken by Korea through multilateral and bilateral negotiations will help ensure that U.S. telecommunications companies -- the most competitive providers in the world -- are in a position to compete in Korea's telecommunications market, which is estimated to grow to $100 billion between 1996 and 2000."

"Korea has made important commitments, including the elimination of tariffs on information technology products, and an increase in limitations on foreign ownership of domestic telecommunications services companies, and taken other steps which will promote competition and enhance transparency," said Ambassador Barshefsky. "Taken as a whole, the Korean Government's actions over the last year should eliminate objectionable practices which led to Korea's identification in July 1996 as a 'Priority Foreign Country' under section 1374 of the 1988 Omnibus Trade and Competitiveness Act."

Korea has undertaken a number of commitments which satisfy U.S. negotiating objectives:

- The Korean Ministry of Information and Communication has agreed to employ policies that ensure Korea will address a wide range of U.S. telecommunications concerns. These policies are embodied in a July 14, 1997 policy statement which resulted from negotiations between the United States and Korea. The statement clarifies recent revisions of Korea telecom policies and practices, enhances transparency, and corrects misperceptions regarding the treatment of foreign telecom goods and services suppliers. Specific policies detailed in the MIC policy statement include: national treatment and non-discrimination for foreign companies; government non-intervention in private sector procurement; transparent criteria and procedures relating to services licensing, equipment certification and type approval; increased foreign ownership in domestic service providers; enhanced protection of intellectual property and proprietary information; clear guidelines for technology transfer; transparent procedures for satellite services authorization; pro-competitive regulatory measures; and an enhanced independent regulatory role for the Korean Communications Commission. These commitments ensure that U.S. telecom companies will enjoy improved market access in Korea.

- Under the Information Technology Agreement, Korea will eliminate in stages tariffs on an agreed package of information technology products (including telecommunications) equipment by the year 2000; tariffs on a few additional items will be eliminated by 2004.

- Under the WTO basic telecommunications agreement, Korea will allow increased foreign ownership of domestic telecommunications services companies and adopt a series of enforceable and pro-competitive regulatory principles.

Collectively, these undertakings will further open the Korean telecommunications market on competitive terms, and provide important opportunities for U.S. service and equipment providers.

Based on the positive steps taken by Korea over the last year, Ambassador Barshefsky has announced her intention to revoke Korea's identification as a Priority Foreign Country (PFC). According to Barshefsky, "The United States will continue to monitor closely Korean adherence to its commitments and will make use of U.S. trade laws and WTO procedures, if appropriate, to ensure effective implementation."

The formal revocation of Korea's identification as a PFC will be effective August 11, 1997.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
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97-71

FOR IMMEDIATE RELEASE
Wednesday, July 23, 1997

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STATEMENT BY U.S. TRADE REPRESENTATIVE CHARLENE BARSHEFSKY ON JAPAN FAIR TRADE COMMISSION SURVEY ON FILM

The findings of the Japan Fair Trade Commission (JFTC) survey of the Japanese film sector issued in Tokyo today confirm many of the anticompetitive practices thoroughly documented by the U.S. and the EU in this sector. For example, the survey finds that the dominant Japanese film manufacturer's use of such exclusionary business practices as rebates, security deposits, horizontal and vertical price restraints, tying arrangements, and refusals to deal are thwarting foreign competition in this sector. The survey also raises concerns about financial ties in the Japanese manufacturer-distributor relationship.

However, as in other sectors that have been surveyed in the past, the JFTC once again has issued weak and woefully insufficient recommendations for addressing these problems. The JFTC has failed to take serious enforcement action to ensure that these anticompetitive practices, which are commonplace in this sector, are fully eliminated.

Moreover, the survey findings whitewash the significant distribution problems that exist in this sector. The exclusionary distribution system established by the Government of Japan to thwart foreign competition remains in place. While the survey asserts that the marketplace is evolving, foreign firms remain unable to gain access to the wholesale channels necessary to be competitive in the Japanese film and photographic paper market.

The JFTC's findings reinforce the reluctance of the United States to rely on the JFTC to address the array of informal market access barriers faced by foreign firms in the Japanese market. While the Japanese Government has sought to strengthen the JFTC over the past several years, it clearly has not yet developed into the type of strong and independent agency capable of effectively dealing with these issues.

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97-72

FOR IMMEDIATE RELEASE
Thursday, July 31, 1997

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U.S. TRADE REPRESENTATIVE CHARLENE BARSHEFSKY AND SECRETARY OF AGRICULTURE DAN GLICKMAN MEET WITH CONGRESSIONAL LEADERS ON CANADIAN GRAINS

U.S. Trade Representative Charlene Barshefsky and Secretary of Agriculture Dan Glickman engaged in a constructive discussion with key congressional leaders about the US-Canada wheat trade issues. The meeting provided Administration officials an opportunity to brief members of the Congress about the Administration's initiatives on behalf of the concerns of U.S. farmers, discuss the status of the voluntary MOU -- in which Canada agreed to limit exports of wheat to the United States -- that expired on September 11, 1995, and reiterate the Administration's commitment to fair trade practices.

In April, Ambassador Barshefsky went to Minot, North Dakota to hear directly from North Dakota's farmers their concerns about inequities in the grains trade between the US and Canada. Since that meeting USTR and USDA have conducted several consultations with Canadian counterparts toward reaching fair and equal terms of trade. During today's meeting, Ambassador Barshefsky and Secretary Glickman highlighted the Administration's ongoing efforts to make progress on a range of market access issues.

Ambassador Barshefsky and Secretary Glickman also described to the congressional leaders the critical importance of export markets for U.S. wheat producers, noting that nearly one half of the wheat produced in this country--including durum--is destined for export markets. For example, North Dakota exported $1.2 billion of wheat last year, 68% of the state's total agricultural exports. The future for farm income growth rests in exports, and our efforts at USTR and USDA have been to break down trade barriers and to increase market opportunities around the world.

Ambassador Barshefsky and Secretary Glickman made the following joint comment:

"The Clinton Administration is second to none when it comes to ensuring that other countries open their markets on reciprocal terms. We continue to press the Canadian Government to ensure that our wheat producers gain full access to their market on equal terms and to address levels of wheat imports from Canada. As we move forward, we understand how important exports are to the wheat industry and continue to press for more open markets around the world."

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