EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

OFFICE OF PUBLIC & MEDIA AFFAIRS
600 17th Street, N.W.
Washington, D.C. 20508
Phone: 202.395.3230/ Fax: 202.395.7226

TABLE OF CONTENTS
PRESS RELEASES FOR MARCH 2000

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

OFFICE OF PUBLIC & MEDIA AFFAIRS
600 17th Street, N.W.
Washington, D.C. 20508
Phone: 202.395.3230/ Fax: 202.395.7226

TABLE OF CONTENTS
PRESS RELEASES FOR APRIL 2000

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -16

For Immediate Release Contact: Brendan Daly

March 2, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

USTR Charlene Barshefsky Highlights Clinton Administration

2000 Trade Policy Agenda and 1999 Annual Report

Today, President Clinton transmitted to Congress the 2000 Trade Policy Agenda and the 1999 Annual Report of the President of the United States on the Trade Agreements Program. The report outlines the Clinton Administration's trade policy priorities for the year ahead, reviews the principal trade policy actions and accomplishments of the past seven years, and includes a special report on the World Trade Organization (WTO).

United States Trade Representative Charlene Barshefsky unveiled the report today at a speech at the Johns Hopkins School of Advanced International Studies (SAIS) in Washington, D.C.

"The start of a new century marks over 50 years of American leadership toward a more open, fair and free world economy," said Ambassador Barshefsky. "The Clinton Administration's commitment to trade and to participation in the global marketplace has played a critical role in the continued strength of the U.S. economy and the longest peacetime economic expansion in U.S. history. This report underscores the importance of our market-opening agenda and its success in promoting economic growth, development and rising standards of living for Americans and for our trading partners."

This year's report contains a special report on the WTO required by the Uruguay Round Agreements Act, the legislation that created the WTO in 1995. The special report provides a comprehensive review of the WTO's record, including its role in expanding export opportunities for U.S. manufacturers, farmers and service providers, establishing a framework of rules that safeguard Americans against discriminatory and unfair trade practices; creating a strong dispute settlement mechanism, strengthening our ability to enforce our trading partners' commitments, and extending WTO rules for the first time to agriculture, intellectual property and services; and spurring growth and investment in high-tech areas such as telecommunications and information technology where Americans excel.

"Our participation and leadership in the WTO is critical to our continued economic growth" said Ambassador Barshefsky. "As President Clinton recently said, there is no substitute for the confidence and credibility the WTO offers the world as trade grows. Our membership in the WTO opens world markets to our goods and services, and helps us take advantage of our competitiveness in agriculture, manufacturing and high-tech industries. It advances the rule of law in commerce, and promotes stability during economic crisis.

"While we believe that the WTO is fulfilling its mission of advancing America's competitiveness in agriculture, manufacturing, and high-technology industries and raising living standards, we agree that the system can be improved. We will continue to urge the WTO to take certain steps to improve the organization and to increase the benefits it provides to members. These measures include: reforming the WTO to improve its transparency and accessibility to civil society; ensuring that the WTO contributes to our work to promote environmental protection and internationally recognized core labor standards world-wide; and improving the dispute settlement process to increase its transparency and openness. It is only through openness and willingness to listen to its critics that the trading system will retain the broad support of the public and its member governments."

Ambassador Barshefsky noted that since 1992, the United States has negotiated nearly 300 separate trade agreements, including six of truly historic importance: the North American Free Trade Agreement, through which American exports to Canada have increased by $100 billion, and exports to Mexico have doubled making it our second largest trading partner, after Canada; the Uruguay Round, which created the WTO; the Information Technology (IT) Agreement, in which 40 countries eliminated import duties and other charges on IT products representing more than 90 percent of the telecommunications market; the Financial Services Agreement, which has helped U.S. service suppliers expand commercial operations and find new market opportunities around the world; the Basic Telecommunications Agreement, which opened up 95 percent of the world telecommunications market to competition; and our bilateral agreement on China's WTO accession, which would open the largest economy in the world to American products and services.

The report also includes an annex listing trade agreements entered into by the United States since 1984 that afford increased market access or reduce barriers and other trade distorting policies by other countries.

"This year, we will work with Congress in seeking permanent Normal Trade Relations with China, ensuring continued U.S. participation in the WTO and passage of the Africa Growth and Opportunity Act and the Caribbean Basin Initiative," said Ambassador Barshefsky. "Our agenda for the year 2000 builds upon our achievements of the past seven years and ranges from opening negotiations on agriculture and services as mandated by the Uruguay Round Agreement of 1994, to implementing and enforcing existing agreements. In addition, we will strive for continued progress on technology initiatives and on negotiations for the Free Trade Area of the Americas."

Highlights of the 2000 Agenda and 1999 Annual Report include:

o Five Years of WTO Membership: As Congress prepares to assess five years of U.S. membership in the WTO, the remarkable number of jobs created by international trade shows how valuable the WTO is to our country. WTO membership guarantees American producers of goods and services access to markets world wide, promotes sustainable development and strengthens peace. In addition, participation in the WTO helps to advance America's competitiveness in agriculture, manufacturing, and high-technology industries, advances the rule of law in commerce, and promotes stability in economic crisis. The WTO promotes global economic stability, enhancing our ability to address economic crises, and has created an effective mechanism for the settlement of trade disputes between members. The United States has prevailed in 23 of the 25 complaints it has brought thus far, either through successful settlement or panel victory.

o WTO Accessions: Ten years after the fall of the Berlin Wall, the transition economies - those nations in Asia and Central and Eastern Europe making the transition from communist central planning regimes to market economies - have made significant progress, and this owes a great deal to our work in the WTO. Since 1995, more than 10 transition economies have acceded to the WTO, with several more soon to follow. They have all, without exception, found that the WTO's principles of transparency, open markets and rule of law have helped economic reform succeed.

o Historic Bilateral Market Access Agreement with China: In November 1999, after years of negotiation, the United States reached a bilateral agreement with China on WTO accession. It secures broad-ranging, comprehensive, one-way trade concessions by China, granting the United States substantially greater market access across the spectrum of industrial goods, services and agriculture. The agreement strengthens our guarantees of fair trade and gives us the ability to enforce Chinese trade commitments. By contrast, we agree only to maintain the market access policies we already apply to China, and have for more than 20 years, by making China's current Normal Trade Relations status permanent.

A new and fundamentally improved trade relationship with China, the world's largest country, offers practical, concrete benefits to communities throughout America: stronger guarantees of fairness for our working people and businesses; new export opportunities that will lead to U.S. jobs and economic growth. This agreement marks a decisive step toward deeper and swifter reform within China, strengthening the rule of law, and offers new opportunities and hope for a better life to hundreds of millions Chinese people.

o U.S.-China Bilateral Agricultural Agreement: Signed in April 1999, our Agreement on Agricultural Cooperation lifted longstanding bans on exports of American citrus, meats and Pacific Northwest wheat, which were imposed without a sound scientific basis.

o Progress on Environmental Initiatives: Since 1993, the Administration has shown a strong commitment to promoting improved global environmental protection through trade, including creation of the environmental side agreements to the NAFTA, which created bilateral and trilateral institutions that enhance hemispheric environmental cooperation and address pollution problems along the U.S.-Mexico border, and the creation of a WTO standing committee on trade and the environment in 1994. In 1999, continued U.S. leadership on environmental issues resulted in the first-ever WTO High-Level Symposium on Trade and Environment in Geneva, and the encouragement of closer collaboration between the WTO and the United Nations Environmental Program, which reached a cooperation framework agreement in December 1999. In addition, in November 1999 President Clinton signed an executive order to require environmental reviews of certain trade agreements. USTR will work with the Council on Environmental Quality, the Environmental Protection Agency and others in the administration, on implementing guide lines for the executive order and will establish an inclusive process for bringing environmental views into the regulatory process.

o Trade and Labor: The Clinton Administration worked diligently to develop trade policy that complements and supports efforts to ensure respect for internationally recognized core labor standards. In the year ahead, the Administration will continue the effort to focus the WTO's attention on the relationship between trade and labor, building on the 1996 Singapore WTO Ministerial declaration for the creation of a WTO working group on trade and labor in conjunction with cooperative work with the International Labor Organization.

o Transparency and Dispute Settlement: U.S. trade policy has sought to advance basic American concepts of good governance, by making the institutions of trade more transparent, accessible and responsive to citizens, including new voices. We have made a standing offer to open to the public any dispute settlement proceeding involving the U.S., if the other party to the dispute agrees. It is currently the practice of the United States to make WTO decisions available to the public as soon as they are available.

o Information Technology Agreement (ITA). In 1997, 40 countries agreed to eliminate import duties and other charges on information technology products, mostly by 2000. The agreement covers trade in more than $600 billion worth of information technology products, such as computers and computer equipment, semiconductors, telecommunications equipment and software. Participants account for more than 90 percent of world trade in this sector. Since that time, as a result of Administration efforts, the number of participants has grown to 52. The ITA Committee established in the WTO provides a vehicle for addressing the hardware side of high technology/e-commerce related issues - potential expansion of ITA product coverage, addressing non-tariff measures such as standards issues, and tackling convergence - and setting a future agenda that is critical to long-term U.S. economic interests.

o WTO electronic commerce agreement. A key accomplishment was agreement in the May 1998 WTO Ministerial Declaration on Electronic Commerce on the moratorium on tariffs on electronic transmissions. Since that time, no WTO Member has violated this consensus, and there exists general agreement among our trading partners that this moratorium should continue. Other principles put forward by the Administration for which there is wide support include the applicability of existing WTO rules to electronic commerce, and the need to avoid imposing unnecessary regulations on electronic commerce.

o Successful implementation of WTO Basic Telecommunications Agreement. The 1997 WTO agreement negotiated by USTR ended the telecommunications monopoly era abroad and opened substantial business opportunities for U.S. companies and benefits to U.S. consumers. The agreement allowed U.S. firms to enter previously-closed markets in Europe, the Americas, Asia-Pacific and Africa. Exports of U.S. telecommunications and information technology equipment advanced at double-digit rates in many areas. The United States forcefully monitored and enforced implementation by trade partners and effectively used its statutory mandate (Section 1377 of the Trade Act) to roll back anti-competitive regulatory proposals and policies in Germany, Japan, Mexico and Taiwan.

o Financial Services: The Financial Services Agreement, which became effective in March 1999 has already helped U.S. service suppliers to expand existing operations and find new market opportunities across a wide spectrum of developed country and emerging markets, through both investment in foreign banking institutions, brokerage and insurance sectors and cross-border trade. Growth potential for competitive U.S. financial services suppliers is high, including to help emerging markets modernize their financial services systems and to improve their infrastructure for trade in goods and services.

o Monitoring and Enforcement: Since 1993, the Administration has devoted more attention and resources than ever before to monitoring and enforcing our trade agreements. To carry out this work as effectively as possible, in particular with the prospect of enforcing our bilateral agreement with China on WTO accessions, we have added new personnel to carry out a larger enforcement workload, and created a dedicated enforcement unit. In addition, the President's FY 2001 budget request will give USTR an additional $1.3 million for monitoring and enforcing our trade agreements.

o Africa. In 1999, the Administration signed Trade and Investment Framework Agreements (TIFAs) with South Africa and Ghana. In addition, the U.S. signed a TIFA with Nigeria in February 2000. The TIFAs will be used to address market access barriers to U.S. trade and investment and to identify means to expand and diversify trade between the United States and Sub-Saharan Africa. The U.S. trade agenda with Africa in 2000 will focus on continued efforts to ensure the passage of the African Growth and Opportunity Act and continued implementation of the President's Partnership for Economic Growth and Opportunity for Africa.

o Caribbean Basin Initiative (CBI): The CBI is a key element of U.S. strategy for Central America and the Caribbean. We are working with Congress to enhance the CBI by extending its scope and product coverage. For 15 years, CBI has been fundamental to growth, economic diversification and strengthening trade ties with Central America and the Caribbean island nations. It has made a substantial contribution, in particular, to the support of peace in Central America and has helped to open markets in the region for $19 billion in U.S. exports.

o FTAA Negotiations: President Clinton and the 33 other democratically-elected leaders in the Western Hemisphere launched the negotiations for a Free Trade Area of the Americas (FTAA) at the Santiago Summit of the Americas meeting in April 1998. Since then, FTAA negotiating groups have prepared outlines of topics and draft texts (to be completed by April 2001) of the chapters to be covered in each area of the negotiations. In addition, FTAA Ministers in 1999 adopted a package of business facilitation measures, to be implemented this year, aimed at overcoming obstacles to doing business in the hemisphere by improving customs efficiency. The Trade Ministers welcomed the first report of the Committee of Government Representatives on the Participation of Civil Society which presents the range of views received by the Committee from individuals and non-governmental organizations in the hemisphere

o Middle East: The Administration has developed an innovative set of duty-free programs to help stimulate investment, growth, and regional economic integration. In 1999, the Administration furthered our goal of promoting peace and regional stability in the Middle East by encouraging trade and investment relationships among Israel and its neighbors, including signing a TIFA with the Kingdom of Jordan and expanding the Qualifying Industrial Zones, through which the products of Israeli-Jordanian industrial projects employing nearly 10,000 people now receive duty-free treatment in the U.S.

-30-

Note: Public copies of the 2000 Trade Policy Agenda and 1999 Annual Report will be available from the Office of Public Affairs, Room 103, at USTR. In addition, the report will be posted on the USTR Web site: www.ustr.gov .

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -17

For Immediate Release Contact: Brendan Daly

March 8, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

UNITED STATES URGES EU TO CONTINUE PROGRESS IN OPENING LOCAL COMMUNICATIONS MARKET TO BROADBAND COMPETITION

The United States, in comments filed yesterday before the European Commission, endorsed an important element of the European Commission's "E-Europe" initiative, a proposal to mandate the opening of local telephone networks to competitive suppliers of broadband services. At the E-Europe Summit, to be held in Lisbon from March 20-21, EU Member States will consider action to implement this proposal by the end of 2000.

"The U.S. experience confirms that opening monopoly telecom networks speeds availability of fast Internet connections for all consumers. Governments must take decisive action to realize the full potential of the emerging digital economy," said William E. Kennard, Chairman of the Federal Communications Commission. From mid-1998 to mid-1999, competitors doubled the number of unbundled local loops they took from incumbents to 685,000. Moreover, as of mid-1999, competitors had located equipment in incumbent telephone company central offices so that they could reach 60 percent of all lines in the U.S.

Certain EU Member States, such as Denmark and Germany, have taken steps towards local loop unbundling, and certain other Member States have accepted the concept. Further action by all Member States to implement competition in local services is necessary. Incumbent operators can be expected to slow the competitive introduction of ubiquitous broadband services, by claiming technical and operational difficulties, unless Member State regulators establish detailed rules that compel local loop unbundling and line-sharing.

"Like the U.S. Telecommunications Act of 1996, the EU's proposal is essential to ensure that every citizen, either at home or at work, can choose among competing suppliers of the most advanced telecommunications services," said United States Trade Representative Charlene Barshefsky. "We urge EU Member States to adopt this proposal, which can help unleash in Europe the economic growth that the Internet has generated elsewhere. It would also put Europe in the forefront of developing best practices for implementing the WTO Basic Telecommunications Agreement."

In the same way that rapid advances in microprocessor and other computing technologies have enabled the global software industry to develop better and more useful programming, widespread increases in local telephone networks' capacity to deliver broadband Internet and other services will enable new and innovative forms of electronic commerce to take root.

"The single most important bottleneck to electronic commerce outside the United States is access to networks that can deliver Internet and other content at high speeds and in large volumes," said Secretary of Commerce William Daley. "We welcome Europe's initiative to speed up the transition of its local telecommunications market from monopoly to competition. Independent regulators need the authority to assure that the playing field for new suppliers of broadband services is level and fair. We urge all Member States to adopt the European Commission's proposal to open to competitive suppliers the local networks controlled by dominant operators, which is essential to realize the full benefits promised from the rapid growth of the Internet and electronic commerce."

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at WWW.USTR.GOV.

March 10, 2000 Contact: Brendan Daly

Amy Stilwell Todd Glass

(202) 395-3230

Advisory

Copies of the *2000 Trade Policy Agenda and the 1999 Annual Report* are Now Available

Copies of the 2000 Trade Policy Agenda and the 1999 Annual Report are now available for pick up during business hours only at the Office of the United States Trade Representative, 600 17th Street, Washington, DC.

Due to a limited supply, only one copy is available per organization.

The entire report can also be accessed through our website at http://www.ustr.gov/html/2000tpa_index.html

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 - 18

For Immediate Release Contact: Brendan Daly

March 10, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

USTR Seeks Ways to Increase Public Input into Trade Policy;

Barshefsky Asks Congress, ACTPN to Review Existing Advisory System

As part of the Clinton Administration's ongoing efforts to enhance opportunities for interested labor, environmental, consumer, and other non-governmental organizations to provide advice to the Administration on key trade policy issues, United States Trade Representative Charlene Barshefsky has asked Congress and USTR advisory committees to review the existing trade policy advisory system.

"The Administration is committed to ensuring that it receives timely and comprehensive advice on trade policy from a broad range of civil society interests," said Ambassador Barshefsky. "The existing advisory committee system is but one of a variety of mechanisms through which the Administration obtains advice from interested groups and organizations on the development of U.S. trade policy. For example, in formulating specific U.S. objectives in major trade negotiations, USTR routinely issues Federal Register notices and solicits written comments from the public, consults with and briefs interested constituencies, holds public hearings, and meets with a broad spectrum of non-governmental organizations.

"Despite this ongoing and sustained outreach, our efforts may not be sufficient," she said.

Therefore, Ambassador Barshefsky sent letters today to the Advisory Committee on Trade Policy and Negotiations and the other 32 statutory trade advisory committees that USTR either heads or co-chairs, asking for advice on how to improve the advisory committee system to ensure that the Administration receives the best possible input as it develops and implements international trade policy.

Last week, she asked the chairs and ranking members of the Senate Finance Committee and the House Ways and Means Committee to review the current trade policy advisory committee structure to determine whether it "is presently functioning in a manner consistent with Congressional intent and whether changes in law or policy may be appropriate to address the concerns that have been raised."

These are just some of the steps the Administration has taken to increase public outreach on matters of trade policy.

In January, Ambassador Barshefsky and Commerce Secretary William Daley announced that they would seek comments from the public on possible changes to the advisory committee process, such as whether there should be additional advisory committees or whether there should be an alteration to the existing structure to accommodate greater participation from non-governmental groups.

In November, President Clinton signed an executive order to require environmental reviews of certain trade agreements. USTR will work with the Council on Environmental Quality, U.S. environmental agencies and others in the Administration to implement guidelines for the executive order, which will establish an inclusive process for bringing environmental views into the development of U.S. trade policy.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -19

For Immediate Release Contact: Brendan Daly

March 16, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

USTR ANNOUNCES GREG FRAZIER AS NEW SPECIAL TRADE NEGOTIATOR FOR AGRICULTURE AND FOOD POLICY

The Office of the United States Trade Representative is pleased to announce that Greg Frazier, Chief of Staff for the Department of Agriculture, will join USTR as Special Trade Negotiator for Agriculture and Food Policy. Greg Frazier will replace Ambassador Peter Scher who left USTR last week after three years of service as Special Trade Negotiator, and before that as Chief of Staff under Mickey Kantor.

"Greg Frazier's expertise in agriculture and his long service to Secretary Glickman and the Department of Agriculture make him the perfect person to fill the role as USTR's Special Trade Negotiator for Agriculture and Food Policy," said U.S. Trade Representative Charlene Barshefsky. "Greg will play a key role in continuing our efforts to further open international markets for U.S. agricultural exports."

Mr. Frazier has served as Chief of Staff at the Department of Agriculture since January 1995. Prior to that, he was a professional staff member for the House of Representatives Permanent Select Committee on Intelligence and Staff Director for the House Subcommittee on Wheat Soybeans and Feed Grains of the Agriculture Committee. From January 1977 until December 1986, Mr. Frazier served in several capacities for then-Congressman Dan Glickman. Mr. Frazier graduated from Kansas State University in 1975 and received a masters degree from the University of Connecticut in American foreign policy in

1976.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -20

For Immediate Release Contact: USTR:

March 22, 2000 Brendan Daly

Amy Stilwell

Todd Glass

(202) 395-3230

USDA:

Susan Mcavoy

(202) 720-4623

China Opens its Market to Imports of U.S. Citrus, Meat, and Wheat

United States Trade Representative Charlene Barshefsky and United States Secretary of Agriculture Dan Glickman announced today that China has issued new rules governing the importation of U.S. citrus, meat and poultry, and wheat. These rules, issued as "circulars" by the Chinese Government, mark final implementation of the Agreement on U.S.-China Agricultural Cooperation, signed between the United States and China last April.

"With today's announcement, China has taken the final step to implement the bilateral agreement on agriculture signed last year," said Ambassador Barshefsky. "This means China is now fully positioned to purchase U.S. meat and citrus and continue to expand its purchases of Pacific Northwest wheat. This Agreement signifies a new era in our bilateral agricultural relationship, one that is based on sound science and the mutual benefits of open markets. U.S. farmers, ranchers, and consumers will benefit substantially from this agreement."

Secretary Glickman stated, "Final implementation of this agreement is a fundamental breakthrough for American's farmers and ranchers. By opening their doors to American citrus meat and wheat products, China is providing our producers with the tremendous opportunity to significantly increase export sales to the world's most populous country. U.S. exporters will now be able to form meaningful relationships with Chinese importers and develop the Chinese market for U.S. citrus, wheat and meat. Trade is essential for American agriculture and the ability to continue growing our exports is essential to the viability of American farmers and ranchers in the future."

Background:

The Agreement on U.S.-China Agricultural Cooperation, signed on April 10, 1999, lifted the ban on the export of citrus from Arizona, California, Florida and Texas, allowing the U.S. to develop legitimate commercial channels for U.S. citrus exports to China, which will reduce risk and permit exporters to market their products legally. Removal of the phytosanitary restrictions will translate into a direct increase in exports of U.S. citrus.

This agreement allows the United States to export U.S .citrus based on U.S. national standards. The export program will be phased in over an interim period of two years, in terms of which counties in Florida and California can participate. During this period, the approved counties will be able to ship citrus that is produced in areas that are free of fruit flies and from areas outside of a 20 kilometer zone around fruit fly outbreaks. After two years, fruit from all counties can be shipped based on the U.S. National Program Guidelines.

Under the Agreement China agreed to recognize the U.S. certification system for meat and poultry. As with citrus, this agreement will allow exporters to develop legal, commercial relationships for U.S. meat and poultry.

China has banned imports of U.S. wheat and other grains from the Pacific Northwest for over 26 years for scientifically unjustified reasons. In signing this agreement, China has acknowledged that TCK smut does not pose a risk to China's domestic wheat production, and will allow the import of U.S. wheat and other grain that is at or below a specific tolerance for

TCK (30,000 spores per 50 grams).

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -21

For Immediate Release Contact: Brendan Daly

March 27, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

USDA

Susan Mcavoy

(202) 720-4623

WTO MEETINGS SUCCESSFUL IN

SETTING AGENDA FOR AGRICULTURE NEGOTIATIONS

The WTO Committee on Agriculture met in special session in Geneva last week to initiate the mandated negotiations on agriculture that began this year as part of the WTO's built in agenda. Last week's meeting focused on procedural and scheduling matters necessary to allow the negotiators to move forward with the talks. Despite some difficulties in choosing a chairman, the Committee agreed on a work plan for the coming year, a schedule of meetings, and an end of the year deadline for countries to submit negotiating proposals.

"We accomplished what we set out to do by agreeing to move forward with an agenda and established deadlines to ensure that countries seriously engage in the negotiations," said Ambassador Charlene Barshefsky.

"We are moving forward with WTO agriculture negotiations and that means we are closer to improving market access for U.S. farm products," said Agriculture Secretary Dan Glickman.

The Administration hopes to submit a proposal in the next few months. A Federal Register notice will be published this week soliciting input on agriculture negotiations with a deadline for submission by May 12th, 2000.

Meetings are scheduled for June, September and November of this year and will focus on issues brought forward by members ranging from conceptual papers to comprehensive negotiating proposals. Next year, a meeting is scheduled for March to allow the negotiators to assess proposals and prepare for the intensified negotiations. The chair has the discretion to call additional meetings as the negotiations progress. Additionally, the WTO Secretariat was charged with performing analytical work that will help focus negotiating issues for members.

-30 --

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -22

For Immediate Release Contact: Brendan Daly

March 30, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

ANNUAL REVIEW OF TELECOMMUNICATIONS TRADE AGREEMENTS

HIGHLIGHTS HIGH INTERCONNECTION RATES IN JAPAN

United States Trade Representative Charlene Barshefsky announced today the results of this year's review of Japan's compliance with telecommunications trade agreements under Section 1377 of the Omnibus Trade and Competitiveness Act of 1988. The review focused on compliance with the World Trade Organization Basic Telecommunications Agreement and determined that additional action may be necessary to ensure that Japan abides by its WTO commitments.

"Japan's failure to implement cost-oriented interconnection rates calls into question its adherence to its WTO commitment to ensure cost-based interconnection rates and regulate its market in an impartial manner,"Ambassador Barshefsky said. "We expect Japan to clarify its plans for reforming its interconnection regime in the next several months, following passage of interconnection-related legislation. Based on these clarifications, and further discussion with the Japanese government, we will decide by the end of July, whether additional action, including in the WTO, would be appropriate."

Background - Section 1377 complaints regarding Japan

During last week's U.S.-Japan deregulation talks in Tokyo, Japan's Ministry of Posts (MPT) and Telecommunications indicated it planned to cut interconnection charges by only 22 percent by 2004. The Japanese government plans to submit legislation soon that will give it authority to set rates based on competitive business practices. It currently plans for a four-year phase-in to levels that would sustain in Japan by far the highest interconnection rates of any developed or developing country with a liberalized telecommunications market. The United States, the EU and Japanese industry have all pressed Japan to implement deeper cuts immediately.

The Competitive Telecommunications Carriers Association (Comptel), and the United States Council for International Business (USCIB) alleged that Japan's major supplier, NTT, does not offer cost-oriented interconnection rates, in violation of its WTO obligations. Both organizations based these conclusions on comparisons with interconnection rates from other competitive markets (which NTT 's rates exceed by between two and five times); and on analysis of the proposed new rates of the Japanese regulator (MPT), which are based on methodologies that run counter to principles of cost-orientation.

NOTE: The USTR will issue in the next few days its section 1377 decisions on the other countries subject to this year's review.

-30 --

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

00 -23

For Immediate Release Contact: Brendan Daly

March 31, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

USTR RELEASES 2000 INVENTORY OF TRADE BARRIERS

The Office of the United States Trade Representative today released *The 2000 National Trade Estimate Report on Foreign Trade Barriers* (NTE) which surveys significant foreign trade barriers to U.S. exports.

"As we embark on the 21st century, we must continue to create economic opportunities not just at home, but in all markets of the world," said U.S. Trade Representative Charlene Barshefsky. "Our goal is the creation of an open and fair world economy, which will support higher-wage jobs in the United States and enhance prosperity for American workers, farmers and businesses."

The NTE report is a comprehensive list of unfair trade practices and barriers to American exports of goods, services and farm products. It covers 55 major trading partners in each region of the world, and profiles policies restricting exports of goods and services, as well as deficiencies in intellectual property protection, investment barriers and similar impediments to U.S. exports. The NTE also outlines progress made by our trading partners and notes many examples where countries have reduced or eliminated trade barriers described in earlier NTE reports.

The USTR prepares the NTE Report in close consultation with other U.S. Government agencies based on the Administration's monitoring program and information provided from the public, private sector trade advisory committees, and U.S. embassies abroad. This year, as in the past, the USTR solicited public comments and received 58 submissions from a wide array of interested parties, including the National Potato Council, the U.S. Council for International Business, and Defenders of Wildlife & the Community Nutrition Institute. U.S. Embassies also participate actively in the preparation of the report, and provided critical input based on the on-the-ground experiences of U.S. exporters abroad.

This report is a source of information for Americans interested in trade issues and plays a significant role in President Clinton's trade policy. Using the NTE as a foundation, the U.S. Trade Representative's office identifies barriers to exports, seeks to reduce or eliminate them through negotiation, and diligently monitors and enforces these agreements.

Since 1993, the USTR has negotiated nearly 300 trade agreements. These agreements are designed

to create growth and job opportunities in the United States and support worldwide economic growth and prosperity by reducing and ultimately eliminating trade barriers and unfair trade practices. In the same period, the USTR has taken enforcement action on more than 100 occasions, including filing 49 complaints at the WTO since its creation in 1995.

"Vigorous monitoring and enforcement of trade agreements is a top priority of this Administration," continued Ambassador Barshefsky. "Full implementation is critical to securing the full benefits of trade agreements for the United States, and to maintaining public confidence in an open trading system. The NTE is an essential part of the Administration's ongoing efforts to steer our trade partners toward more open markets and broader compliance with a rules-based trading system."

Highlights of the 2000 NTE Report:

Canada: The United States has its largest and most vibrant trading relationship with Canada. The U.S.-Canada border was opened significantly by the U.S.-Canada Free Trade Agreement and the North American Free Trade Agreement, with the result that more than a billion dollars a day in trade occurs between the two countries. U.S. exports to Canada have risen by 55 percent since NAFTA was enacted in 1993, with an increase of 6.3 percent in 1999 . However, certain non-tariff barriers of concern still exist at both the federal and provincial levels that impede access to the Canadian market for U.S. goods and services. For example, Canada continues to restrict imports of certain "supply managed" agricultural products such as dairy products, poultry and eggs, and the Canadian Wheat Board continues to enjoy government- sanctioned monopoly status as well as other privileges that restrict competition. In addition, certain access barriers with respect to non-agricultural goods, intellectual property rights and services persist in Canada. Thus, the USTR will continue efforts to remove such barriers; to ensure that the Canadian trade and economic regime is fair - particularly in agriculture and lumber - and to respond quickly when new problems arise.

China: In November 1999, the Administration concluded an unprecedented bilateral agreement with China on the terms of its accession to the WTO. This agreement contains comprehensive, one-way concessions on the part of China. In combination with the WTO obligations China will assume upon accession, the agreement addresses effectively the longstanding barriers to trade in goods, services, and agriculture that now hamper U.S. trade with China and that have been identified in this and past NTE reports. The agreement addresses, for example: market access barriers with respect to goods, services, and agriculture; high tariffs; sanitary and phytosanitary barriers, and restrictive licensing, investment, and distribution practices. The commitments China will undertake will provide access for industrial and agricultural products and the full range of services trade, including telecommunication, insurance, banking and legal services. China will also eliminate virtually all restrictions on trading and distribution rights, which have been persistent barriers to meaningful access. As part of a bilateral agricultural agreement reached last year, China has lifted bans on imports of U.S. citrus, meat and poultry, and wheat and other grains from the Pacific Northwest that have been identified as longstanding barriers to trade. This has resulted in the first shipments of wheat and citrus to China in nearly 20 years.

European Union: While the vast majority of more than $ 1 trillion in annual two-way trade and investment with Europe flows unencumbered, a number of high-profile, sensitive trade issues remain unresolved. The European Union's (EU) continued failure to implement a WTO-consistent banana regime and its failure to comply with the WTO rulings on beef treated with growth hormones not only have adversely affected U.S. exports, but have undermined the credibility of the WTO dispute settlement system. Other trade problems stem from EU regulatory procedures, which often lack adequate transparency, proper scientific justification, and serve as protectionist measures. For example, the EU approval process for modern biotechnology products appears to be unnecessarily lengthy and arbitrary, thereby halting hundreds of millions of dollars of U.S. agricultural exports. Likewise, the EU's design-restrictive regulation on aircraft equipped with "hushkits" aircraft is unfairly impeding U.S. sales. Substantial subsidies and promises of future subsidies provided to various EU industries, most notably to Airbus, also raise serious trade policy concerns.

Japan: Opening Japan's markets to U.S. goods and services, and encouraging comprehensive deregulation and reform of Japan's financial sector continues to be a top priority of the Clinton Administration. Since 1993, the United States has concluded 38 trade agreements with Japan - including three in 1999 - covering a wide variety of sectors from autos and auto parts, insurance, civil aviation and harbor practices, to agricultural products, entertainment and high technology. Efforts in this regard have helped to boost exports to Japan by 20 percent. The Japanese economy, however, remains burdened by excessive and costly regulations that impede market access for U.S. goods and services, prevent competition from cultivating market-based efficiencies, raise prices for Japanese consumers, and restrain economic growth in Japan. As just one example, the high interconnection rates charged by dominant telecommunications provider, Nippon Telegraph and Telephone, block competition and impede growth in this and other vital high-technology sectors. Under the Enhanced Initiative on Deregulation and Competition Policy, the United States continues to urge Japan to implement additional concrete deregulation in such areas as telecommunications, medical devices and pharmaceuticals, housing, financial services, and energy, as well as in the cross-cutting structural areas of competition policy, distribution, and transparency. The United States also remains focused on aggressively monitoring and enforcing our existing bilateral agreements, including insurance, autos and auto parts, and government procurement, in order to ensure that barriers in these sectors are eliminated. Further, the United States continues to rely on the WTO, including its dispute settlement mechanism, to open Japan's market. Most recently, the WTO Appellate Body in February 1999 upheld a dispute panel ruling that found in favor of the United States in a case against Japan's unfairly burdensome and non-transparent requirements on varietal testing of fruit exported to Japan.

Korea: Korea is one of the United States' major trading partners but continues to be known as one of the toughest markets in the world for doing business. While President Kim Dae Jung has committed to a more open, market-oriented economic policy - and Korea has implemented some reforms, such as in the financial sector - many of its structural reforms have yet to be implemented. As the Korean economy recovered from the financial crisis in 1999, some complacency has set in on the need for continuing economic reform. This is of serious concern to the U.S. Government as are the many issues that have arisen with respect to Korea's international obligations. In 1999, the U.S. Government brought a WTO dispute settlement action against Korea's beef import and distribution regime and expressed concerns about Korean policy on other agricultural products, including citrus, rice and potato preparations. Of concern is also the lack of a substantial increase in market access for foreign motor vehicles, or a meaningful restructuring in the Korean motor vehicle sector, required by the agreement that settled the 1998 Korea autos Section 301 investigation. Discriminatory treatment of foreign, research-based pharmaceuticals remains a problem. On intellectual property, the United States has cited as problematic Korean policies on copyright, clinical data, and patent protection. Finally, the USTR has long-standing concerns about the Korean Government's involvement in, and support for, the Korean steel industry. The United States and Korea continue to engage in a comprehensive dialogue on U.S. steel concerns, pursuant to the

President's Steel Action Plan.

Mexico: Mexico has surpassed Japan to become the United States' second largest single country trading partner and has been the fastest growing major U.S. export market over the last six years. Since the NAFTA was enacted on January 1, 1994, U.S. exports to Mexico have increased by 109 percent, larger growth than to any other major single-country market. Mexico continues to reduce tariffs and remove restrictions as NAFTA commitments are phased in. Nonetheless, the United States remains concerned about continuing barriers to U.S. exports, notably for agricultural goods such as beef, live hogs, and dry beans, as well as sanitary and phytosanitary standards which restricts U.S. sales. The United States also expects Mexico to promptly comply with a recent WTO Panel Report concerning High Fructose Corn Syrup. The USTR is also seriously concerned with the telecommunications regulatory environment in Mexico. Telmex, the former telecommunications monopoly, is denying use of certain essential facilities to its competitors, which the government has failed to address, and is in other ways inhibiting the creation of a competitive telecommunications market. This situation is the subject of a review being conducted under Section 1377 of the Omnibus Trade and Competitiveness Act of 1988.

Sub-Saharan Africa: Reports for eight sub-Saharan African countries demonstrate that progress is being made on the continent as countries implement market liberalization measures and economic and political reforms. A number of countries, including Nigeria and South Africa, are in the process of lowering levels of state intervention and control, choosing instead to pursue policies that strengthen the private sector and stimulate competition. Most of the sub-Saharan African countries reviewed have lowered barriers to investment and are actively promoting foreign investment. A number of sub-Saharan African countries have significantly lowered tariffs. However, tariffs remain relatively high and, in a number of countries and sectors, continue to impede U.S. exports. Poor enforcement of intellectual property rights, inefficient and unpredictable customs regimes, and corruption, continue to hamper U.S. exporters in most of the countries reviewed.

Note: An electronic copy of the NTE Report will be available on USTR's Website at www.ustr.gov under "reports." Bound copies of the report will be available from USTR on Wednesday, April 5, 2000.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -23-a

For Immediate Release Contact: Brendan Daly

March 31, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

U.S. Disagrees with WTO Dispute Settlement Panel Ruling on Antidumping Act of 1916

The Office of the U.S. Trade Representative said today that the United States disagrees with a World Trade Organization dispute panel, which ruled that the rarely-used U.S. Antidumping Act of 1916 breaks global trade rules.

"The panel erred in concluding that the 1916 Act should be analyzed under antidumping rules despite the many distinctions between the 1916 Act and antidumping measures," said Ambassador Barshefsky.

Under WTO rules, the United States has the right to appeal the report to the WTO Appellate Body. Once a report is adopted, the United States will determine how to respond.

The dispute panel found that the 1916 Act is inconsistent with WTO rules because the specific intent requirement does not satisfy the material injury test required by the WTO, and that civil and criminal penalties for in the 1916 Act go well beyond the antidumping provisions of the WTO.

The United States disagreed, saying that the 1916 Act is more akin to an anti-trust statute than the antidumping statutes maintained pursuant to the Antidumping Agreement, against which the 1916 Act was measured. It permits private lawsuits for treble damages and criminal penalties against importers of products sold below market value. In addition to showing the requisite low-priced imports, a successful 1916 Act claim must prove a specific intent to injure a U.S. industry.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

00 -24

For Immediate Release Contact: Brendan Daly

April 3, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

Susan McAvoy(USDA)

(202) 720-4623

First Direct Shipment of U.S. Meat Departs for China

United States Trade Representative Charlene Barshefsky and United States Secretary of Agriculture Dan Glickman announced today that the first direct shipment of U.S. meat left the United States for China Sunday evening. China recently announced new rules governing the importation of U.S. citrus, meat and wheat as required under the Agreement on U.S.-China Agricultural Cooperation that was signed last year.

"Last night's shipment of meat represents the first direct opening of China's market to U.S. meat and poultry producers," said Ambassador Barshefsky. "Direct exports of U.S. meat to China should increase dramatically as further market opening and sales opportunities are presented by China's accession to the WTO. But full access will only happen if Congress votes to approve permanent normal trade relations with China."

"As one of the world's largest and fastest growing economies, China holds enormous potential for growing agricultural exports," said Agriculture Secretary Dan Glickman. "The first shipment of U.S. citrus to China in 20 years, a contract pending for a shipment of U.S. wheat, and now this shipment of U.S. beef and pork demonstrates the tangible benefits of increased trade with China. I hope and expect that these shipments are only the first of many more sales to come."

The shipment of meat left San Francisco on a plane bound for Shanghai on Sunday night. The meat was imported by City Supermarket Company Limited in Shanghai. Earlier this month, China bought its first shipment of wheat from the Pacific Northwest and last week, shipments of citrus sailed from ports in Florida and California.

On March 22, China issued new rules governing the importation of U.S. citrus, meat, and wheat, thereby implementing the Agreement on U.S.-China Agricultural Cooperation. This agreement, signed on April 10, 1999, lifted longstanding bans on the export of U.S. citrus, wheat and other grains from the Pacific Northwest, and meat and poultry. The agreement is significant in that it is based on China 's recognition of U.S. standards and guidelines for all three commodities. For meat, this means that China will accept all imports of U.S. meat and poultry that have been approved by the U.S. Department of Agriculture's Food Safety Inspection Service. Previously, China would only accept imports from U.S. plants that had been inspected and approved by China's quarantine experts.

In 1999, China imported 1.3 million metric tons of beef, pork, and poultry from all sources. U.S. meat exports are shipped to China, but as transshipments through Hong Kong. In 1999, Hong Kong was the fourth largest market for U.S. pork and pork variety meat exports, with a value of $32.3 million. More than half of these imports were transhipped to China. While U.S. beef, pork and poultry producers should see some immediate effect of China's new regulations lifting the sanitary ban on U.S. products, U.S. exports will not expand dramatically unless Congress approves PNTR for China and China begins to implement the tariff reductions contained in the bilateral agreement on China's WTO accession concluded last November.

- 30-

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -25

For Immediate Release Contact: Brendan Daly

April 4, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

ANNUAL REVIEW OF TELECOMMUNICATIONS TRADE AGREEMENTS HIGHLIGHTS CONCERNS REGARDING MEXICO, SOUTH AFRICA, AND OTHER COUNTRIES

United States Trade Representative Charlene Barshefsky announced today the results of this year's annual review of certain foreign countries' compliance with telecommunications trade agreements under Section 1377 of the Omnibus Trade and Competitiveness Act of 1988. This year's Section 1377 review addressed alleged telecommunications services trade barriers of nine trading partners: Japan, Mexico, South Africa, Peru, Germany, Canada, the United Kingdom, Israel and Taiwan. Israel committed to terminate an objectionable measure by December 31, 2001, and Taiwan eliminated certain exclusivity rights from three licenses eventually issued to new entrants.

The review established a June 15 deadline for further review of Germany, South Africa and the United Kingdom; a July 28 deadline for further review of Japan and Mexico; and, a October 2 deadline for further review of Canada and Peru. The review also addresses telecommunications equipment issues.

Ambassador Barshefsky released the results of the Section 1377 review regarding Japan on March 30.

"The WTO Basic Telecommunications Agreement is expanding the global reach of the Internet and electronic commerce, said Ambassador Barshefsky. "Through requirements for the regulation of former monopoly carriers and the opening of markets to new entrants, this agreement has allowed U.S. firms to build and operate global telecommunications and information networks around the world. In most of the cases considered in the Section 1377 review, governments and regulators are now taking steps to address the complaints of U.S. carriers. We will follow up to ensure that expected actions are taken on a timely basis and that those actions are consistent with WTO commitments."

Mexico: **The USTR is seriously concerned with the telecommunications regulatory environment in Mexico and, accordingly, will complete its review of Mexico's compliance with its WTO commitments by July 28 or sooner**. "In Mexico, it appears that progress towards a level playing field for telecommunications carriers now is stalled," said Ambassador Barshefsky. Telmex currently denies use of certain essential facilities to its competitors, which the government has failed to address. The government has also failed to complete long-promised reform of the subsidies provided to Telmex under rules for universal service, interconnection and international service. Although the Mexican regulator announced last week the beginning of a process to impose dominant carrier regulation, Telmex has frustrated similar efforts over the past two years. "I view the situation in Mexico as extremely serious. The United States will determine by July 28, whether additional action, including in the WTO, would be appropriate. Our goal is to restore the pro-competitive progress that already has benefitted U.S. and Mexican consumers through significant reductions in prices for long distance services," said Ambassador Barshefsky.

South Africa: **The USTR will review South Africa's compliance with its WTO commitments on value added network services.** U.S. suppliers of value-added telecommunications services in South Africa enjoyed reasonable and non-discriminatory access to the network of the monopoly telecommunications supplier, Telkom, since 1992. However, in mid-1999 Telkom unilaterally began to deny access to its private circuits necessary for the supply of value added services. The newly-created independent Regulator, SATRA, has proposed new regulations that, if and when implemented, would firmly require Telkom to restore access. "South Africa's WTO commitments require the South African government to ensure that Telkom provide non-discriminatory access to and use of its facilities for the supply of competitive value added network services," said Ambassador Barshefsky. "We will decide by June 15, whether additional action, including in the WTO, would be appropriate. In the meantime we will continue a dialogue with the South African government to resolve the problem cooperatively."

Peru: **The USTR will review Peru's implementation of its WTO commitments, particularly with respect to ensuring cost-oriented and non-discriminatory interconnection.** In mid-March, Peru's telecommunications regulator, Osiptel, announced that it will take steps shortly to resolve disputes between the dominant operator, Telefonica de Peru (TdP), and new entrants seeking reasonable and non-discriminatory interconnection rates for use of TdP's network. "Peru has made great strides in fostering a competitive telecommunications services market in one of the shortest periods of any country in Latin America," said Ambassador Barshefsky. "I welcome Osiptel's action to review the complaints of new entrants regarding interconnection rates, and I urge that it set rates for all services at levels that are comparable, cost-oriented, reasonable and non-discriminatory."

Germany: **Based on recent developments, the USTR will review the German regulator's actions on interconnection backlogs caused by Deutsche Telekom (DT).** In recent months, the German regulator has issued decisions designed to curb or prevent anticompetitive abuses by the dominant carrier, Deutsche Telekom. "We applaud the decisions by the German regulator to require that DT provide interconnection and other essential services to new entrants in ways that are cost-based, more timely and non-discriminatory. It is essential that the regulator monitor closely DT's efforts to reduce the backlog of interconnection requests," said Ambassador Barshefsky. "We urge the German government to lower its license fees, now among the highest of any OECD country, and to strengthen the regulatory process by finding ways to share with competitors any DT cost information that is submitted in regulatory proceedings."

Canada: **The USTR will review Canadian actions to reform the contribution program, which provides subsidies for universal service.** Canada's "contribution" program for subsidization of local phone service to remote and high-cost areas, presents potential anti-competitive risks for certain long-distance carriers. The Canadian Cabinet and the Canadian Radio-Television and Telecommunications Commission have processes under way that can address these problems through reform of the contribution program. "We urge Canada to take steps to administer this program in a manner that is more transparent, non-discriminatory and competitively neutral, and to ensure that integrated local/long distance service providers do not benefit from unfair subsidies," said Ambassador Barshefsky.

United Kingdom: **The USTR will review UK actions to open its market to competitive suppliers of Digital Suscriber Lines.** The UK regulator, OFTEL, announced in November 1999 that the UK's dominant telecommunications service provider, British Telecom (BT), would have an exclusive right to supply Digital Subscriber Lines (DSL) over its network until as late as July 1, 2001. "We welcome the proposal of the European Commission that all EU Member State regulators require unbundling and line sharing for competitive entry of DSL service," said Ambassador Barshefsky. "We call upon the United Kingdom to implement this recommendation immediately, consistent with its WTO commitment to allow reasonable and non-discriminatory access to BT's networks for suppliers of all telecommunications services."

Israel: **During the review, Israel committed to remove by December 31, 2001 its discriminatory access fee on calls to and from the United States and Canada.** "We welcome the commitment of the Government of Israel to terminate its discriminatory access charge regime by the end of next year. Nonetheless, we will not hesitate to take appropriate action, including possible initiation of WTO dispute settlement action, if the access charge is continued or replaced," stated Ambassador Barshefsky.

Telecommunications Equipment

In comments submitted for the review, U.S. equipment makers also urged USTR to continue to expand the implementation of regional mutual recognition agreements (MRA) in Europe, Asia-Pacific and the Americas. "We will continue to work towards lower regulatory costs and faster approval for U.S. telecommunications equipment exports through regional MRA efforts, and to eliminate non-tariff barriers around the world for these high technology products," said Ambassador Barshefsky. "Over the past year we have made significant progress regarding market access in Europe for U.S. makers of third generation mobile telecommunications systems." The licensing rules issued so far by nine EU Member States have made clear that all 3G technologies approved by the International Telecommunication Union can be licensed for European use, including technologies developed in the United States.

BACKGROUND ON SECTION 1377 COMPLAINTS

Mexico

The Competitive Telecommunications Association, AT&T, MCI Worldcom, Broadwing Communications and the Lexington Institute submitted comments on lingering barriers to providing basic telecommunications service in Mexico. The petitions raise the Mexican government's failure to allow international simple resale (ISR) services, maintain adequate competition regulation, ensure cost-oriented interconnection, and ensure that Mexico's universal service program is transparent and competitively neutral.

South Africa

In its Section 1377 petition, AT&T alleges that South Africa is violating its GATS commitments for value-added services because South Africa's monopoly telecommunications supplier, Telkom, is failing to provide private lines necessary for AT&T's value-added network services.

Peru

Bell South claims that Peru is failing to observe its WTO Reference Paper commitment to require Peru's major supplier (Telefonica de Peru) to offer interconnection at cost-oriented rates. Bell South also petitioned the Peruvian regulator on March 10, 2000 to take action to set interconnection rates for certain services.

Germany

The Competitive Telecommunications Association (Comptel) and the Telecommunications Resellers Association (TRA) filed petitions regarding Germany . The complaints focus on: (1) continued excessive delays by Deutsche Telekom (DT) in providing interconnection to competing carriers, and continuing efforts by DT to impose onerous conditions; (2) excessive license fees charged by the German government, ranging from $1.4 to $6.0 million; (3) non-transparent DT cost data filed with the German regulator to support DT's position on interconnection fees and other matters; and, (4) refusal by DT to perform billing and collection services for new entrants absent a regulatory mandate that DT continue to perform this function.

Canada

AT&T has alleged that Canada's contribution collection (universal service) regime is inconsistent with the WTO Reference Paper obligation to administer this program in a manner that is both competitively neutral and no more burdensome than necessary. AT&T also alleges that Canada's accounting rules and other competitive safeguards are insufficient to prevent major suppliers from engaging in anti-competitive practices.

United Kingdom

Covad Corporation alleges that the November 1999 policy statement by OFTEL, the UK regulator, "Access to Bandwidth: Delivering Competition for the Information Age," grants British Telecom (BT) an effective monopoly on the supply of ADSL service until July 1, 2001. Covad alleges the statement is a violation of the UK's market access and national treatment commitments; and, is inconsistent with the UK's obligations under the WTO Reference Paper.

Israel

AT&T alleges that Israel discriminates against suppliers of international calls to and from the United States and Canada by imposing a higher access fee on such calls than on calls to or from all other countries, without any cost justifications. Israel's Ministry of Communications has required carriers to pay access charges on calls to and from the United States and Canada (10 cents per minute in 1998, 7 cents in 1999, 5 cents in 2000, and 3 cents in 2001). Carriers have paid access charges on calls between Israel and everywhere else of 7 cents in 1998, 5 cents in 1999, 3 cents in 2000 and 2 cents in 2001. In a March 23, 2000 letter to USTR, Israel's Ministry of Communications indicated the access charge fee would be terminated by December 31, 2001.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

For Immediate Release 00 -26

April 4, 2000 Contact: Brendan Daly

Amy Stilwell

Todd Glass

(202) 395-3230

USTR Calls for Additional Progress on WTO Transparency

United States Trade Representative Charlene Barshefsky today urged the World Trade Organization to take further steps to make its activities and procedures more open and accessible, both for smaller WTO member delegations and for the public at large.

"We believe that there are several practical steps the WTO can take right now to make itself a more inclusive and transparent institution," said Ambassador Barshefsky. "These and other steps are critical to the WTO's long-term credibility in the eyes of both its own membership and of the public at large."

Last month, USTR sent a letter to the Chairman of the WTO General Council in Geneva outlining a series of suggestions on how the organization could improve upon its "external" and "internal" transparency in light of the growth in WTO membership and the increasing complexity of issues on the WTO's agenda. These and other ideas were discussed at an informal meeting of the General Council last week, and are the subject of ongoing consultations.

On the external side, the United States urged such steps as: expanding the range of WTO documents available to the public; strengthening the guidelines for consultations with non-governmental organizations (NGOs); enhancing the WTO's program of symposia and consultations on specific subjects; expanding the use of Internet facilities to reach more stakeholders, including small and medium-sized enterprises; and broadening the range of WTO meetings and events that would be open to the public.

The United States also suggested that the WTO make internal improvements to consult more fully and increase the flow of information to all 135 members. The United States asked its WTO partners to consider practical ideas for consultations, scheduling, and structuring work to maximize knowledge of WTO activities and to help smaller delegations, in particular, participate more effectively in such work.

In 1996, the WTO's General Council took two decisions aimed at increasing the public availability of WTO documents and facilitating the WTO's interaction with interested NGOs. Based on experience gained over the past four years, the United States hopes that both decisions can be updated to enable the WTO's relationship with the public to be further enriched and invigorated.

In addition to these actions, the United States has also been pressing to make the WTO's dispute settlement process more transparent by opening panel hearings to the public and permitting stakeholders to file amicus briefs.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -27

For Immediate Release Contact: Brendan Daly

April 10, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

U.S. - Hungary Conference on Trade Promotes WTO, Economic Growth in Southeast Europe

On April 5 and 6, the United States and Hungary jointly sponsored a conference for their trading partners in Southeast Europe to promote a working partnership on trade, the importance of WTO membership and its close link to economic reform in Southeast Europe.

"The United States and the Hungarian Government led this conference because both believe that membership and full participation in the WTO are absolutely essential to the region's economic development," said United States Trade Representative Charlene Barshefsky. "It was instructive to hear first hand from these countries of how vital WTO membership is to their economic expansion and future growth."

This conference was a key element of the United States' commitments to the countries of Southeast Europe under the Southeast Europe Trade Expansion Initiative announced at the Sarejevo Summit in July 1999. The seminar was designed to demonstrate how WTO standards create a stable environment for economic growth, foster free market economic reforms, and enhance member countries' ability to attract investment. In addition, a primary goal of the conference was to exchange ideas on how both current and prospective members can operate effectively within the WTO to advance their economic interests, and to promote regional cooperation on reducing barriers to trade and investment, consistent with transparent, predictable international rules and norms.

The U.S. delegation, led by Deputy United States Trade Representative Susan Esserman, was joined by high-ranking officials from co-host Hungary and eight Southeast European countries, including some of those most economically devastated by the conflict in Kosovo: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Former Yugoslav Republic of Macedonia, Moldova, Romania and Slovenia.

All of the participating countries demonstrated a firm commitment to economic reform and strongly stated the significant role that WTO members have played in furthering this goal. Deputy Prime Minister of Bulgaria Peter Jotev stated: "We believe that the participation of high-ranking officials from the United States, Hungary, and eight countries of Southeast Europe, as well as from the WTO Secretariat, provides an excellent opportunity to exchange views and ideas on how to maintain a stable environment for economic growth in the region, on how future cooperative initiatives could be developed, and on how WTO membership can contribute to fostering economic reform and attracting foreign investment."

- 30 -

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -28

For Immediate Release Contact: Brendan Daly

April 11, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

NAFTA MEETING: JOINT STATEMENT

Six Years of Shared Achievement

Dallas, Texas April 7, 2000

Following the April 7 meeting on the North American Free Trade Agreement, Deputy United States Trade Representative Richard W. Fisher, Canadian Deputy Minister for International Trade Robert G. Wright, and Mexican Under Secretary of Trade and Industrial Development Luis De La Calle Pardo are pleased to release the following Joint Statement which outlines the overall results:

In this sixth anniversary year of the North American Free Trade Agreement (NAFTA), the Vice Ministers welcomed the spectacular success of the Agreement and the benefits it has brought to the people and economies of the United States, Canada and Mexico. We reaffirmed the value and the importance of the NAFTA to our three countries. The numbers speak for themselves. Trade between our three countries has grown by 96% since the Agreement came into force. From less than US$289 billion in 1993, our trilateral trade has now surpassed US$567 billion. Investment among our three economies has also increased significantly, with more than US$189 billion invested in each other's economies in 1997. Total foreign direct investment into the NAFTA countries meanwhile has reached US$864 billion. Economic growth remains robust. Indeed, North America is the growth center of the global economy, and our booming trade with one another has mitigated the economic impact of financial crises and slowdowns in other parts of the world. Most importantly, job creation has surged in all three NAFTA countries, with employment levels now at record highs. Since the NAFTA was implemented, employment in Canada has grown by 10.1 percent (1.3 million jobs), by 22 percent (2.2 million jobs) in Mexico and by over 7 percent (12.8 million jobs) in the United States.

In short, NAFTA works. We express our confidence that the resounding success of the NAFTA over its first six years will continue as NAFTA implementation opens new opportunities for trade and investment, bringing more benefits to companies, workers, farmers, and consumers across North America.

In reviewing the results of the Operational Review of the NAFTA work program, which we launched in 1998, we acknowledged the results achieved thus far across more than twenty-five committees, working groups, and additional subsidiary bodies. The Operational Review provides clear direction and priorities for the NAFTA work program. The trilateral oversight of the work program is working well.

We have agreed on the priorities for the NAFTA work program for the coming year, including the specific areas outlined in the Annex to this Joint Statement. We discussed a range of provisions of the NAFTA, including those dealing with investment, competition policy, and customs procedures. We will continue our joint effort in these and other areas.

In confirming our strong support for further regional and multilateral trade liberalization, we noted the important role that regional co-operation, including initiatives such as the NAFTA itself, can play in stimulating further multilateral trade liberalization. In this context, we discussed the value of enhanced co-operation among the NAFTA parties in advancing shared interests in wider regional and multilateral initiatives.

We continue to place confidence in the benefits of the multilateral trading system, generally, and the role of the World Trade Organization (WTO), in particular, to provide for greater security, opportunity and quality of life for the citizens of North America. We commend WTO Members' actions to initiate a new phase of negotiations to liberalize trade and strengthen rules in services and agriculture, as mandated by existing WTO Agreements. We will continue our efforts to build a consensus to launch a broader-based round of multilateral trade negotiations at the earliest opportunity.

Endorsing the continuing dismantling of trade barriers in the hemisphere, we welcomed in particular the progress to establish the Free Trade Area of the Americas (FTAA) no later than the year 2005. We will work with our partners in the hemisphere to ensure that the Negotiating Groups meet the objective of preparing a text that is comprehensive in scope. We also will redouble our efforts with our partners in the hemisphere to fully implement the package of customs-related business facilitation measures agreed at the November 1999 Toronto Ministerial meeting, and to develop a second substantive package of business facilitation measures for the Argentine Ministerial meeting in 2001.

In addition to reviewing the success of our first six years together, we also stressed the importance of addressing emerging challenges and opportunities. The global economy and technological change will continue to transform the conduct of business in North America. We will work together to develop a common vision for North American trade and investment in the new century. We discussed the challenges ahead and possible future initiatives within the NAFTA in order to enhance our future cooperation. We have agreed to explore enhanced cooperation in promoting opportunities for small and medium-sized enterprises.

Annex to the Joint Statement: Agreed Actions

On April 7, 2000 at its sixth regular meeting, the NAFTA Vice Ministers established, pursuant to the Agreement:

Tariff Acceleration

• Approved efforts for additional accelerated tariff elimination by the Committee on Trade in Goods, and agreed to implement them expeditiously in the three countries through appropriate domestic procedures;

Border Facilitation

• Reviewed accomplishments within NAFTA countries on trade facilitation at the border, particularly progress of the Committee on Trade in Goods pursuant to Article 316.3 of the NAFTA, and directed officials to intensify efforts to identify where improvements can be made to the movement of goods at the border, and make recommendations at the next regular meeting;

• Agreed to continue pursuing domestic procedures to implement the addition of actuaries to the list of professionals under the NAFTA temporary entry provisions;

• Welcomed the implementation by the Working Group on Rules of Origin of a package of technical rectifications to the NAFTA rules of origin;

Agricultural Co-operation

• Welcomed the establishment by the private sector of the Fruit and Vegetable Dispute Resolution Corporation (DRC), which has opened its office in Ottawa and plans to open an additional office in Mexico. The DRC's Board of Directors has had meetings already in Washington, D.C., in September 1999 and Atlanta, GA, in October 1999.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, D.C.

20508

USTR Press Releases are available on the USTR home page at www.ustr.gov.

---

00 -29

For Immediate Release Contact: Brendan Daly

April 12, 2000 Amy Stilwell

Todd Glass

(202) 395-3230

USTR and Department of Commerce Seek Public Input on Enhancement of Trade Advisory Committee System

The Office of the U.S. Trade Representative (USTR) and the Department of Commerce yesterday published a notice in the *Federal Register* seeking comments from the public on changes to the advisory committee system that would help to ensure that the Administration obtains timely, relevant trade policy advice from consumer, environmental, labor, and other non-governmental organizations.

"The Clinton Administration solicits advice regarding trade policy from interested groups and organizations in a number of ways," said Ambassador Barshefsky. "This *Federal Register* notice seeks views from the public on ways to further enhance the effectiveness of our efforts to obtain advice from non-governmental organizations on critical trade policy matters."

Congress and the Administration have established a variety of advisory committees from which the Administration solicits and obtains advice on trade policy matters, including from environmental, labor, and consumer groups. Section 2155 of Title 19, U.S. Code, establishes a three-tier trade policy advisory committee system, with one committee addressing overall policy advice, several committees providing advice on more specific policy issues, and a larger number of committees covering sectoral, technical, or functional issues.

The Administration seeks trade policy advice from environmental, labor, consumer, and other groups through three advisory committees. Specifically, the Advisory Committee for Trade Policy and Negotiations (ACTPN) provides the President and USTR with broad advice on trade matters. ACTPN membership is drawn from chief executive officers of agriculture, consumer, environmental, industry, and labor groups. The President has also established a Trade and Environment Policy Advisory Committee (TEPAC), which primarily addresses trade and environment issues. TEPAC members are drawn from agriculture, consumer, environmental, industry, and labor groups, and from non-federal governments. A Labor Advisory Committee (LAC) provides advice on trade issues and labor. The LAC is administered by the Department of Labor and is composed exclusively of labor union representatives.

Earlier this year, Ambassador Barshefsky sought advice from all 33 statutory trade advisory committees on how to improve the advisory system. She also asked the Senate Finance Committee and House Ways and Means Committee to review the current trade advisory system to determine whether it "is presently functioning in a manner consistent with Congressional intent."

The Administration seeks trade policy advice on environmental, labor, consumer, and other issues in other ways as well. For example, in formulating specific U.S. objectives in major trade negotiations, USTR routinely solicits written comments from the public, consults with interested constituencies, holds public hearings, and meets with a broad spectrum of non-governmental groups at their request.

-30-