

[Billing Code 3190-01-M]

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Trade Policy Staff Committee; Notice of Initiation of Environmental Review and Request for Comment on Scope of Environmental Review of Mandated Multilateral Trade Negotiations on Agriculture and Services in the World Trade Organization

AGENCY: Office of the United States Trade Representative

ACTION: Notice and request for comments.

SUMMARY: Pursuant to Executive Order 13141 (64 Fed. Reg. 63,169), this publication gives notice that the Office of the United States Trade Representative (USTR) is initiating an environmental review of the multilateral trade negotiations on agriculture and services in the World Trade Organization (WTO). The Trade Policy Staff Committee (TPSC) requests written comment from the public concerning what should be included in the scope of the environmental review (including the potential environmental effects that might flow from agreements on agriculture and services and the potential implications for environmental laws, regulations, and other obligations) and the best time to conduct the analysis.

DATES: Public comments should be received no later than July 27, 2001.

FOR FURTHER INFORMATION CONTACT: For procedural questions concerning public comments, contact Gloria Blue, Executive Secretary, TPSC, Office of the USTR, 600 1724 F Street, N.W., Washington, D.C. 20508, telephone (202) 395-3475. Questions concerning the environmental review should be addressed to Joseph Ferrante, Environment and Natural Resources Section, telephone 202-395-7320.

SUPPLEMENTARY INFORMATION:

Executive Order 13141—*Environmental Review of Trade Agreements* in November, 1999, 64 Fed. Reg. 13,141 (Nov. 16, 1999), and its implementing guidelines, 65 Fed. Reg. 79,442 (Dec. 19, 2000), formalize the U.S. policy of conducting environmental reviews for certain major trade agreements. Reviews are used to identify potentially significant environmental impacts (both positive and negative), and information from the review may facilitate consideration of appropriate responses where impacts are identified.

The Executive Order identifies certain types of agreements for which an environmental review is mandatory: comprehensive multilateral trade rounds; bilateral or plurilateral free trade agreements; and major new trade liberalization agreements in natural resource sectors. For other types of agreements, the Executive Order and guidelines direct USTR, through the TPSC, to determine whether a review is

warranted based on such factors as the potential significance of reasonably foreseeable positive and negative environmental impacts.

The World Trade Organization (WTO) Agreement on Agriculture and the General Agreement on Trade in Services (GATS) call for WTO members to undertake further negotiations to liberalize trade in agriculture and services, respectively. The agriculture and services negotiations (known as the “built-in agenda” for agriculture and services) are currently underway in the WTO. USTR provided general background on the negotiations and requested public comment on general U.S. negotiating objectives as well as country and item-specific export priorities for agriculture and services in previous Federal Register notices. See 65 Fed. Reg. 16,450 (Mar. 28, 2000); 66 Fed. Reg. 18,141 (April 5, 2001).

In June, 2000, the United States submitted a proposal for long-term, comprehensive agricultural reform in the WTO. The proposal calls for substantial reductions or elimination of tariffs, expansion of remaining tariff-rate quotas, elimination of export subsidies, disciplines on the use of export restrictions on agricultural products, simplification of rules applying to domestic support, and establishment of a ceiling on trade-distorting support that applies equally to all countries. The United States presented a more detailed position on the tariff rate quota element of the proposal. The U.S. proposals are available on USTR’s website at www.ustr.gov.

In July, 2000, the United States submitted a comprehensive proposal concerning the conduct of the services negotiations and presented 12 detailed negotiating proposals in December, 2000, addressing

11 services sectors (accountancy services; audiovisual and related services; distribution services; education and training services; energy services; environmental services; express delivery services; financial services; legal services; telecommunications, value-added network, and complementary services; and tourism services) and one GATS “mode of supply” (movement of natural persons). The U.S. proposals (also available on the USTR website) seek to remove market access, national treatment, and other restrictions affecting services and services suppliers in these and other areas, while maintaining the ability to regulate in the public interest. Thus, the sectoral coverage of the services negotiations is broad. This notice requests commenters’ views, in particular, on which service sectors to address or not to address in the environmental review.

Pursuant to the Executive Order and guidelines, USTR has determined through the TPSC that the built-in agenda negotiations in agriculture and services warrant an environmental review. The volume of trade affected in both agriculture and services is significant. U.S. agricultural trade in 2000 was over \$100 billion. U.S. exports of commercial services (i.e., excluding military and government) were \$255 billion in 1999, supporting over 4 million services and manufacturing jobs in the United States. Cross-border trade in services accounts for more than 25 percent of world trade, or about \$1.4 trillion annually. U.S. commercial services exports have more than doubled over the last 11 years, increasing from \$118 billion in 1989 to \$255 billion in 1999.

Agricultural trade can be expected to have implications for land resource use, which in turn may have implications for the environment (e.g., water quality and quantity issues). In addition, the United States

has previously undertaken analyses that have indicated potential environmental benefits resulting from elimination of agricultural export subsidies, a key U.S. objective in the negotiations. Further examination of this issue might be appropriate in the environmental review.

The Executive Order and guidelines provide flexibility concerning the appropriate time for undertaking the analytical work supporting an environmental review, once it is initiated. In recognition of the fact that the agriculture and services negotiations are still at a preliminary stage, the public is requested to provide comments with as much specificity as possible concerning both the scope of the review and the appropriate time for conducting the analysis. (Comments received in response to previous notices will also be considered for this purpose.) The scope and timing of the review will also be informed by internal U.S. government economic and environmental analyses. Moreover, as developments in the negotiations further clarify the scope of the potential agreements, USTR anticipates that there will be other opportunities for the public to provide additional input as appropriate.

Written Comments

Persons submitting written comments should provide twenty (20) copies no later than close of business, July 27, 2001, to Gloria Blue at the address noted above. If possible, written comments should be supplemented with a computer disk of the submission. The disk should have a label identifying the software used and the submitter.

Written comments submitted in connection with this request, except for information granted “business confidential” status pursuant to 15 CFR 2003.6, will be available for public inspection in the USTR Reading Room, in Room 3 of the annex of the Office of the United States Trade Representative, 1724 F Street, Northwest, Washington D.C. An appointment to review the file may be made by calling Brenda Webb at (202) 395-6186. The Reading Room is open to the public from 10-12 a.m. and from 1-4 p.m., Monday through Friday.

Business confidential information will be subject to the requirements of 15 CFR 2003.6. If the submission contains business confidential information, it must be accompanied by twenty copies of a public version that does not contain business confidential information. A justification as to why the information contained in the submission should be treated confidentially must be included with the submission. In addition, any submissions containing business confidential information must be clearly marked “Confidential” at the top and bottom of the cover page (or letter) and each succeeding page of the submission. The version that does not contain confidential information should also be clearly marked at the top and bottom of each page “Public Version” or “Non-Confidential.”

Carmen Suro-Bredie

Chair,

Trade Policy Staff Committee

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