# CSI Coalition of Service Industries

May 10, 2001

Honorable Robert Zoellick
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: U.S. Objectives for the WTO Ministerial Conference

Dear Ambassador Zoellick:

The Coalition of Service Industries is pleased to provide its views on the WTO Ministerial Conference in Doha, Qatar on November 9-13, 2001.

The Coalition of Service Industries believes the Doha Ministerial is an important opportunity to rebuild a global consensus for liberalized trade, to strengthen the World Trade Organization, and most importantly to launch new trade negotiations to open markets for US companies and their workers. We believe that the United States must take a leading role in the preparations for the Doha Ministerial in order to ensure that new negotiations are started. This will of course, require flexibility on the part of the US in accommodating, in some measure, other countries' objectives in order to give all major parties a stake in the undertaking.

As you know WTO services negotiations began as required by the Uruguay Round Agreement in 2000. The first year of this new "services round" was spent primarily on issues related to GATS rules, though a number of countries tabled negotiating proposals laying out in general terms their objectives for trade liberalization in a number of sectors. The negotiations passed an important milestone at a "stocktaking" in late March this year, when negotiating guidelines for the services round were finally agreed to. The stage is now set for services negotiations to achieve greater market access to begin.

While the services negotiations have developed a certain momentum, real progress is more likely if the Doha Ministerial launches new WTO negotiations to achieve meaningful trade liberalization for services, agriculture and goods by 2003. A date certain is necessary in order to secure as quickly as possible the wealth creating effects of liberalized trade for all members, developed and developing.

In previous submissions CSI has provided detailed trade liberalization objectives for a large number of sectors. We would like to take this opportunity to expand on our goals for electronic commerce in the context of a new WTO round.

Sincerely,

Robert Vastine

Enclosure: CSI E-commerce Recommendations WTO Ministerial Doha, Qatar

# CSI Coalition of Service Industries

## CSI E-COMMERCE RECOMMENDATIONS
## WTO MINISTERIAL DOHA, QATAR

The WTO ministerial is an opportunity to advance a global environment that spurs the growth of electronic commerce. In addition to launching a new round, ministers should seek agreement on principles that support the maintenance of open markets for electronic commerce. They should also agree to pursue in the GATS negotiations market access and national treatment commitments across all sectors and modes of supply without limitations for complementary services essential to the value chain of e-commerce for business-to-business and business-to-consumer transactions.

At Doha, Ministers should affirm that GATT, GATS and TRIPS rules and disciplines apply to electronic commerce. Ministers should agree to continue the work program on electronic commerce and recognize the importance of allowing the unencumbered use of technology. Ministers should also agree to work to increase membership in the Information Technology Agreement and redouble efforts to conclude ITA II.

## I. Principles to Support Open E-Commerce Markets

WTO Trade Ministers at the Doha Ministerial should seek agreement on:

- a standstill commitment not to impose new restrictions during the course of negotiations that affect e-commerce,

- a commitment to avoid the creation of any unnecessary barriers to e-commerce, and where regulations are necessary, they are as least trade restrictive as possible,

- a commitment to transparency in the application, modification, or creation of any regulations affecting e-commerce,

- a permanent extension of the practice of not imposing customs duties on electronic transmissions,

- a balanced approach to data protection that recognizes different national legal systems, including laws, industry self-regulation, privacy enhancing technologies and differing cultural standards. Such a balanced approach should ensure that data protection regimes are not applied in a discriminatory manner and are not used to limit market access, or to impede competition,

- a commitment to refrain from imposing barriers on electronic transmissions (including digitized products) and from impeding the supply of services through electronic means,

- a commitment to reject any attempts to limit the application of international or national intellectual property rights to e-commerce,

- a commitment that electronically delivered products, be they a good or a service, receive market access and national treatment benefits no less favorable than those currently available for those products delivered physically,

- a commitment to foster the development of new information technologies without burdening them with traditional telecommunications or other restrictive regulation,

- a commitment to refrain from imposing restrictions on connectivity protocols and addressing conventions, and

- a commitment to avoid using standard-setting activities to create preferences for local companies or non-tariff trade barriers.

II. Scheduling GATS Commitments to Promote E-Commerce

The liberalization of trade in services will expand the e-commerce marketplace and in turn drive substantial new investment in the modernization of essential infrastructures. It may also impel changes in regulatory environments to facilitate this expanded economic activity. Services liberalization should be pursued to maximize growth in e-commerce.

WTO Trade Mininsters at the Doha Ministerial should agree to pursue the following approach to the request/offer stage of the GATS 2000 Services negotiations:

- recognize that all currently scheduled cross-border commitments apply to services delivered electronically including electronic delivery via the Internet;

- make unrestricted commitments in complementary services essential to the "infrastructure" needed to facilitate e-commerce transactions, including advertising, business, computer, telecommunications, distribution, financial, and express delivery services.

- expand and deepen basic and value added telecommunications commitments, sign onto the Reference Paper and accelerate its implementation, as well as strengthen telecommunications obligations to ensure competitive, nondiscriminatory access to basic telecommunication services for Internet service providers and other value added service providers; and

- adopt an approach through which a critical mass of countries would assume unrestricted commitments for all services that use electronic commerce. Such commitments would of course be subject to existing GATS exceptions.

- The movement of natural persons with information technology skills is also related to the continued growth of electronic commerce. WTO members should be encouraged to increase commitments and eliminate exceptions to the movement of personnel.

## III. Work Program

At the Doha Ministerial, the United States should seek forward movement on the electronic commerce work program. The work program should address trade-related e-commerce issues and focus on the benefits of e-commerce and market liberalization, as well as the trade and regulatory environment needed to realize these benefits.

## IV. Technology

Members should also ensure that barriers are not created for the transborder use of the following technology, in the form of hardware, software, technical data and know-how:

- Encryption Technology- technology that facilitates secure, authenticated communication, including strong encryption technology,

- Security Technology- technology that protects facilities against electronic attack,

- Network Technology- technology for high-speed data communication,

- Authentication Technology- technology that enhances user trust, stimulates the growth of electronic commerce nationally and globally, and promotes a competitive environment for the development of electronic authentication, and

- Technology & Testing Mechanisms- technology needed for the development, manufacture, and evaluation of software and products from a security, performance or authentication standpoint.