

United States and 20 Countries Begin New Trade Negotiations on Wide-Ranging International Services Agreement

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U.S. Trade Representative Ron Kirk this week announced the Obama Administration's intent to join negotiations for a new plurilateral trade agreement on services. The negotiations for the International Services Agreement (ISA) will formally begin in April, with preparatory talks starting later this month in Geneva. These negotiations represent an excellent opportunity for U.S. service providers to reach new markets and remove services trade barriers.

The ISA is expected to cover a wide range of services, including telecommunications and Internet, insurance, financial services, express delivery, audiovisual, professional services (law, accounting, consulting), engineering and construction, distribution (retailing, franchising), education, environmental, healthcare, transportation and a host of others. Notably, Ambassador Kirk has indicated that the talks will cover new and emerging service sectors, including services "that have yet to be conceived." This underscores the need to cover digital and e-commerce services. The WTO General Agreement on Trade in Services (GATS) was finalized in 1994, prior to the tremendous global expansion of the Internet and e-commerce.

A total of 20 countries are involved, which together represent more than two-thirds of all global services trade. These countries include: Australia, Canada, Colombia, Costa Rica, the European Union (and its 27 member countries), Hong Kong, Israel, Japan, Mexico, New Zealand, Chile, Norway, Peru, South Korea, Switzerland, Taiwan, Pakistan, Turkey and Panama. Additional countries may be added as the talks progress. Because the participating countries generally support services trade liberalization, there are hopes that

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negotiations can proceed quickly and can achieve significant reductions in services trade barriers.

The broader Doha Round of World Trade Organization (WTO) negotiations is currently on hold, providing some impetus to move ahead on a services-only agreement among so-called “friends of services.” Although the talks are not formally connected to the WTO, initial negotiations will take place in Geneva with some support from the organization. If the negotiations reach a critical mass, the ISA could be transitioned to a WTO agreement in the future.

The year 2013 promises to be an important one for U.S. trade negotiations generally, as the Obama Administration also hopes to conclude the ongoing Trans-Pacific Partnership (TPP) trade negotiations this year and it may also announce comprehensive U.S-European Union trade negotiations in the near future. As such, it is important for companies and industries with interests in these areas of trade to ensure that they are represented in these various negotiations.

The ISA notification letter from Ambassador Kirk to Congress is available [here](#). In coming weeks, USTR and Congress are expected to hold public hearings on the topic and publish a Federal Register notice seeking public comment.