

# **The U.S.-Singapore Free Trade Agreement (FTA)**

**Report of the  
Industry Sector Advisory Committee on Services  
for Trade Policy Matters (ISAC 13)**

**February 28, 2003**

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Advisory Committee Report to the President, the Congress and the United States Trade Representative on the U.S.-Singapore Free Trade Agreement (FTA)

## **I. Purpose of the Committee Report**

Section 2104 (e) of the Trade Act of 2002 requires that advisory committees provide the President, the U.S. Trade Representative, and Congress with reports required under Section 135 (e)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement.

Under Section 135 (e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations and each appropriate policy advisory committee must include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and achieves the applicable overall and principal negotiating objectives set forth in the Trade Act of 2002. The report must also include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sectoral or functional area.

Pursuant to these requirements, the Industry Sector Advisory Committee on Services for Trade Policy Matters (ISAC 13) hereby submits the following report.

## **II. Executive Summary of Committee Report**

It should be noted that ISAC members were challenged by the lack of available final text during the 30-day period they had to conduct their analysis and write this report. Notification of Congress prior to the completion and availability of the final legal text should be avoided in future agreements. The opinions stated below are therefore subject to review of the final texts of the agreement and its annexes.

As stated in Section IV of this report, ISAC 13's overall goal is to liberalize trade in the wide range of services provided by U.S. businesses, thereby promoting the expansion and health of the U.S. economy, new employment, and, by extension, benefiting the economies of its trading partners. Overall, the Committee believes that the U.S.-Singapore FTA meets the Committee's objective of achieving new and expanded trading opportunities for specific service sectors, including: audiovisual; banking, securities and asset management; distribution; e-commerce; education; energy; express delivery; healthcare; insurance; professional (e.g., accounting, legal, consulting, architectural and engineering services); telecommunications and information technology; transportation; and travel and tourism.

The ISAC strongly supports the negative list approach taken to services negotiations in the Agreement.

The Agreement contains several cross-cutting elements worth noting: provisions on investment, transparency, and temporary entry.

An important element of the Agreement is its Chapter on Investment. Foreign direct investment is particularly important for trade in services because many services can only be “traded” by establishing a commercial presence (investing) in a foreign market. The chapter provides rights to invest and procedures for the resolution of disputes. It importantly contains a commitment to unrestricted transfers of capital. However it also provides restrictions on the Agreement’s dispute resolution process in the event either Party imposes capital transfer restrictions. While industry generally opposes strongly restrictions on the free transfer of capital, we believe the formulation contained in the Investment Chapter is acceptable.

Another important element of the Agreement is its provisions for transparency in domestic regulatory processes including licensing decisions. Taken together these provisions are an outstanding achievement which will resonate in other bilateral agreements and in the multilateral GATS negotiations in the WTO.

The Agreement also contains provisions for the temporary movement of people. Like investment, movement of persons is one of the most important means by which services are traded (for example, US consultants who must travel in order to provide services to foreign clients).

The Agreement also provides new market opportunities for some of the United States’ most competitive industries. Section V of this Report contains the ISAC’s report advisory opinions on a number of sectors. Committee members agree that the Agreement is a positive step in liberalizing services trade between the United States and Singapore and note some concerns, particularly in education, engineering, healthcare, and legal services.

Finally, ISAC 13 strongly recommends that USTR’s submission of this agreement to the Congress be accompanied by a complete and authoritative explanatory description of the rights secured under the Agreement, and that Congress echo that documentation in implementing legislation. Such a description is essential to a full understanding of these rights, given the “negative list” structure of the legal text. An important example of these inherent rights is the protection of all previously acquired market access or investment rights by US companies currently operating in Singapore's markets. Unless Singapore took a specific reservation against a particular investment, it is understood that all such acquired rights are fully protected under the Agreement.

### **III. Brief Description of the Mandate of the ISAC 13**

ISAC 13 performs such functions and duties and prepares reports, as required by Section 135 of the Trade Act of 1974, as amended, with respect to the services sector. To fulfill its mandate the ISAC meets at least monthly to review negotiations with U.S. trade

officials and to advise as required by law.

ISAC 13 advises the Secretary of Commerce and the U.S. Trade Representative (USTR) concerning the trade matters referred to in Sections 101, 102, and 124 of the Trade Act of 1974, as amended; with respect to the operation of any trade agreement once entered into; and with respect to other matters arising in connection with the development, implementation, and administration of the services trade policy of the United States, including those matters referred to in Reorganization Plan Number 3 of 1979 and Executive Order 12188, and the priorities for actions there under.

In particular, ISAC 13 provides detailed policy and technical advice, information, and recommendations to the Secretary and the USTR regarding trade barriers and implementation of trade agreements negotiated under Sections 101 or 102 of the Trade Act of 1974, as amended, and Sections 1102 and 1103 of the 1988 Trade Act, which affect the services sector, and performs such other advisory functions relevant to U.S. trade policy as may be requested by the Secretary and the USTR or their designees.

#### **IV. Negotiating Objectives and Priorities of the ISAC 13**

ISAC 13's overall goal is to liberalize trade in the wide range of services provided by U.S. businesses, thereby promoting the expansion and health of the U.S. economy and, by extension, the economies of its trading partners. Services industries provide about 80% of U.S. jobs and GDP, and account for much of the growth in the U.S. economy.

ISAC 13's objective for this and other trade agreements is to achieve substantial additional market access for U.S. service industries. This means commitments to greater access to foreign markets for U.S. cross border trade, to investment abroad, and to the temporary movement of Americans who provide skilled services.

ISAC 13 also sees an opportunity to advance U.S. policy objectives to liberalize foreign markets by focusing U.S. agencies' and private entities' efforts to provide technical assistance and trade-related capacity-building abroad, especially in developing countries and transitional economies. ISAC 13 believes that intensive technical assistance is imperative in many parts of the world if mutual trade liberalization goals are to be attained.

Finally, ISAC 13 appreciates the decision of the U.S. Government to pursue a *negative list* (or "top-down") approach and hopes this template is used when negotiating future bilateral and regional agreements.

#### **V. Advisory Committee Opinion on Agreement**

Overall, the Committee believes that the U.S.-Singapore FTA meets the Committee's objective of achieving new and expanded commitments for specific service sectors.

ISAC 13 strongly recommends that USTR's submission of this agreement to the Congress be accompanied by a complete, authoritative explanatory description of the rights secured under the Agreement, and that Congress echo that documentation in implementing legislation. Such a description is essential to a full understanding of these rights, given the "negative list" structure of the legal text, an approach recommended by industry. Under this structure, various rights are inherent, though not self-evident. Thus, in order for there to be a full understanding by the general public, as well as for commercial interests to realize the full benefits of the rights provided by the Agreement, an definitive explanation of the rights and obligations secured by the Agreement is essential.

Advisory opinions on cross-cutting issues follow:

### **Investment**

The Agreement will establish a secure, predictable legal framework for U.S. investors in Singapore and serve to encourage further direct foreign investments from that country in the United States. All forms of investments are covered by the Agreement, including direct ownership of companies, real estate, intellectual property rights, concessions, permits and debt instruments.

Consistently with the nearly 40 Bilateral Investment Treaties (BITs) the United States has concluded with other countries, the investment chapter recognizes the close link between investment and trade. This is of particular importance to service providers, whose services often require a local presence. The Agreement assures U.S. investors opportunities to establish, acquire and operate investments in Singapore in all but some sectors that each party may reserve in whole or part to its own nationals. Such investors are to be accorded equal treatment with local investors and may not be subjected to special or discriminatory requirements for the use of local inputs or export obligations or to extend licenses to local companies. Rights to manage and direct such investments with personnel other than from the host country are also provided.

The Agreement includes: a right to full, fair and prompt compensation for any expropriation of an investment, and a fully transparent, binding procedure for the resolution of disputes between foreign investors and the host government through international arbitration. Submissions to dispute panels and panel hearings will be open to the public, and interested parties will have the opportunity to submit their views.

### **Movement of Personnel**

The proposed temporary entry provision of the U.S.-Singapore Free Trade Agreement provides for the temporary entry of businesspersons in *three* categories – business visitors (*including professionals*), traders and investors, intra-company transferees. The United States will implement the FTA provisions relating to business visitors, traders and investors, and intra-company transferees using existing U.S. laws and regulations. We understand that while Singapore did not have a strong interest in specific professions, it was generally interested in temporary entry.

On balance, this Agreement is generally favorable; it achieves most, but not all, of the objectives sought by ISAC 13.

U.S. service providers face complex, cumbersome and time-consuming requirements to obtain work permits and visas for personnel on short-term secondments and/or transfers to company facilities, projects, or assignments in other countries. In some cases it can take months to obtain the necessary authorization, thus seriously impairing the ability of US companies to compete for contracts with foreign competitors. The Agreement acknowledges a mutual recognition of this problem; its temporary entry provisions should help relieve this trade barrier to a limited extent.

To solve the problem of speedy deployment of personnel for assignments requiring short-term multiple entry, ISAC 13 proposed to the United States Trade Representative a *special visa* as a negotiating objective of this Agreement. We acknowledged that this special temporary entry visa would require a change in U.S. immigration law but believed then, as now, that it would further facilitate the temporary movement of professionals and essential company personnel between the United States and Singapore. We are disappointed this negotiating objective was not totally achieved, particularly that no provision of the agreement allows the temporary entry to the US of very highly skilled or talented persons who do not meet the definition of “professional” in that they do not have the requisite levels of education, but are nonetheless, by exceptional experience and training, operating at a “professional” level.

The new provision for professionals is important. Professionals are to be granted temporary entry for limited periods. In the case of Singapore in some cases only 90 days; in the case of the United States one year is contemplated. The special visa for professionals will be based solely on proof of nationality, purpose of the entry and evidence of professional credentials. The visa would be multiple entry and renewable. The United States would be required to amend the Immigration Act to authorize this visa. If adopted by both parties, this visa would facilitate greatly the entry of professionals of each country in the other.

We understand that the U.S. accepted the 90 day limit on the understanding that the 90 day Singapore “employment pass” is easily renewable. If this understanding is incorrect, the 90 day limit would impair a number of US business activities.

The Agreement establishes an annual limit on the number of approvals of initial applications of professionals from Singapore to 5,400 persons. This should meet the needs of each Party for the foreseeable future.

Based on the foregoing, ISAC 13 members believe the temporary entry provisions are constructive and satisfy many but not all of its objectives for the Agreement.

### **Transparency**

The provisions of the Agreement providing for transparency taken together guarantee a high standard of transparency in administrative, licensing, and adjudicatory proceedings.

In sum they are an outstanding achievement and model for other agreements. They are consistent with current US law and practice.

Transparency in regulatory processes is absolutely essential for services industries, because they generally are the most highly regulated. A government's regulations governing financial services, energy services, professional services, for example, can vitiate or nullify trade agreements that would otherwise purport to provide full market access and national treatment.

The Agreement's transparency provisions are laid out in four parts of the Agreement: The initial chapter on transparency applies to all trade under the Agreement. In the services chapter are additional provisions applying toll cross border services trade. The financial services chapter contains further provisions, as does the investment chapter.

The overarching provisions in the introductory chapter on transparency require the essentials: the designation of a contact point for inquiries, the requirement for prompt publication; the requirement that "to the extent possible" measures that each Party proposes to adopt are published in advance, and that persons of both Parties have a reasonable opportunity to comment. It should be noted that the proviso "to the extent possible" is consistent with US law. Further the chapter provides that parties at interest to proceeding receive reasonable notice of such proceedings, and that they are allowed to present their case prior to final administrative actions. Each Party must establish independent tribunals or procedures for prompt review of administrative actions, and has the right to a decision based on evidence.

The provisions in the cross border services chapter provide further assurance that administrative decisions related to licensing are prompt and fair. This chapter also provides for the Parties to reach agreements mutually recognizing their qualifications and standards for professional practice.

The transparency provisions set out in the financial services chapter are consistent with the other transparency provisions in the Agreement but are tailored to the needs of this sector.

Advisory opinions on specific sectors follow.

### **Architecture**

The chapter on the general provision of professional services is standard GATS language on the development of professional standards, temporary licensing, and review. Singapore's reservation concerning business services, sub-sector architectural services, deals with national treatment and local presence. The requirement that only persons registered with the Board of Architects may provide architectural services is equivalent to laws and regulations in the United States. The requirement of residency, however, has been removed in the United States. ISAC 13 understands that Singapore's residency

provision was accepted by U.S. negotiators because of the facility in obtaining certain types of residency/employment visas (i.e., the Employment Pass) that allow a foreign person to meet this requirement easily. It was also understood that this pass is part of a visa program for professionals that allows for stays in excess of 90 days. ISAC 13's support for Singapore's residency provision is conditioned on the accuracy of that understanding.

### **Asset Management Services**

The FTA achieves many of the asset management industry's market access goals. Singapore will accord most favored nation (MFN) to U.S. financial institutions in awarding asset management mandates by the Government of Singapore Investment Corporation.

Singapore also will allow the cross border provision of portfolio management services by asset management firms to mutual funds. This provision, which is an important precedent for other trade negotiations, addresses a significant issue for U.S. firms establishing affiliates in Singapore – it permits them to use the services of an affiliate outside Singapore in managing Singapore mutual funds, thereby allowing the U.S. firm to achieve economies of scale and bring its global expertise to the service of Singapore clients. The FTA also locks in liberalizations to Singapore's minimum staffing and qualification rules for U.S. asset management companies and insurance companies. The financial services transparency commitments in the agreement also will benefit the asset management industry.

Two industry priorities were not completely addressed in the FTA. The industry would like to assure that countries not reserve in trade agreements the right to impose repatriation restrictions. The provisions on capital controls, while not ideal, are a first step in addressing this contentious issue. Also, we would have preferred if Singapore also agreed to liberalize quantitative limits on pension investments by the Central Provident Fund that restrict investment in foreign securities, but not in mutual funds investing in foreign securities. As a whole, however, the FTA contains important benefits for U.S. asset management firms.

### **Audiovisual Services**

The FTA ensures that all U.S. audiovisual services will enjoy national treatment and MFN status, with reservations. While Singapore took a fairly broad reservation that limits its obligations for television content broadcast to local audiences, its obligations in all other forms of AV services, where U.S. commercial interests are strongest, are excellent. Moreover, the Singapore FTA avoids the "cultural exceptions" approach that has flawed several prior trade agreements, while demonstrating that a trade agreement has sufficient flexibility to take into account countries' cultural promotion interests.

### **Education Services**

Education services welcomes the overall agreement with Singapore but recognizes its shortcomings in providing true liberalization in this sector.

Education services include higher education, testing services, training and adult education. Of these, higher education services, and specifically the provision of degree courses delivered across borders; the recognition of professional education and the mobility of academic staff are of interest in the Singapore agreement.

The largest market for U.S. education services is Asia and Singapore represents half of the critical education hubs for the region. However, even with this FTA, Singapore continues to restrict degree-granting authority to its national universities, thus neutralizing reasonable liberalization in this sector. It is notable that Singapore has recognized a handful of U.S. law schools, and that the two countries recognize each other's educational credentials for purposes of obtaining professional visas, but liberalization is a goal yet to be achieved.

Education is one of the United States most competitive export "industries", and obtaining access abroad should in general receive more concentrated attention in future bilateral and regional agreements.

### **Electronic Commerce**

The U.S.-Singapore Free Trade Agreement contains a groundbreaking electronic commerce chapter which introduces the concept of "digital products" in trade agreements. The chapter prevents the application of customs duties on electronically delivered digital products, assures the non-discriminatory treatment of digital products, addresses the valuation of physically delivered digital products, and provides commitments to cooperate on electronic commerce policy. The parties agreed not to impose customs duties on digital products.

The e-commerce chapter introduces the concept of "digital products", which reflects digital product development in the last two decades and the need for predictability in how digital products are treated in trade agreements. The definition in the Singapore Agreement is slightly different than in the Chile Agreement due to distinctions in the parties' domestic law. ISAC 13 regards these differences in definitions as nuances that are not commercially problematic and therefore acceptable.

The parties agreed to non-discriminatory treatment of "digital products". The Singapore Agreement provides a broad national treatment and MFN non-discriminatory provision.

With respect to the physical delivery of digital products, Singapore agreed to apply customs duties on the basis of the value of the carrier medium. Presently many countries apply customs duties on content-based products using a wide variety of different standards, many of which are subjectively based on projected revenues from the sale of content-based products. U.S. industry has urged the USG to advance bilaterally, regionally and multilaterally a standard for customs valuation based on the value of the physical carrier medium for content-based products and therefore applauds the inclusion of this provision in the Agreement.

The parties also agreed to cooperate in numerous policy areas related to e-commerce. In the Singapore Agreement, the cooperation issues are set out in a separate joint statement. This will reinforce a progressive policy environment in Singapore and in the region.

### **Energy Services**

We believe that the proposed Free Trade Agreement between Singapore and the United States will facilitate the provision of energy services between the two countries. Provisions related to regulatory transparency and investment, in particular, will allow U.S. energy services firms to work under the predictable and consistent rules they need to make the kinds of short, medium and long term commitments often required. Liberalization in procedures related to moving expert, professional and managerial personnel will also smooth the way toward more energy services opportunities. Overall, we believe that the Agreement improves the conditions under which energy services firms will operate and provides for equity and reciprocity.

### **Engineering Services**

Overall, we believe that the Agreement improves the conditions under which most engineering services will operate and provides for the level playing field on which clients can openly select design professional support on the basis of technical qualifications and best value.

We do wish to express concern, however, about two National Treatment reservations and one item that needs better definition.

- There continues to be concern among the ISAC-13 on the matter of temporary entry for professionals. Engineering supports the position as stated by Architecture above.
- The reservations for the corporate provision of professional engineering services are onerous and, unlike surveying which they list as an allied profession and has a local control of ownership phase out period (January 2004), there is no phase out for the National Treatment reservation on professional engineering. The requirement for 51% ownership in corporations and, in partnerships, full control of assets and profits severely constrains U.S. firms trying to open a Singaporean operation for single projects and requires them to give technical, managerial and financial control to outsiders in order to establish a long term presence.
- The government procurement dollar minimums are ambiguous with regard to construction services and would benefit from better definition of scope. If the engineering design component of construction is considered a subset of construction services (as often it is), then the procurement floors are so high as to allow normal engineering services to fall under the domestic preference cutoffs. This allows the government to ignore all the FTA provisions.

We hope that these aspects can be dealt with during a future Singapore round. We would also hope they might be noted for other FTAs which are still in process of negotiation and find their way into the boilerplate with which new negotiations begin.

### **Express Delivery Services**

The express delivery industry believes the FTA with Singapore includes important provisions for the sector, including an appropriate definition of express delivery services (EDS). This agreement and the Chile FTA are the first trade agreements to contain such a definition, an important milestone.

The Agreement seeks to ensure that the sector is subject to the provisions of the FTA by noting that express delivery is excluded from the reservation Singapore has taken in its Postal sector. The Agreement also contains important provisions to facilitate customs clearance, which is critical to the efficient operation of express carriers. However, the Agreement falls short in fully addressing another key element for this industry - cross subsidization of EDS operations by postal authorities that use revenues and other privileges they derive from their government-granted monopoly rights to secure advantages in competitive EDS operations. The Singapore FTA cross-subsidization statement is unilateral, applying only to Singapore. Although the negotiators were able to secure a unilateral commitment from Singapore, it will be difficult to attain such unilateral commitments in future multilateral negotiations. The commitment also only applies to the subcategory of "express letters" and therefore does not cover the scope of products moved by the express delivery industry. Notwithstanding this shortcoming, the U.S. express delivery industry believes the text of the Agreement provides very substantial advantages.

### **Financial Services (other than insurance and asset management)**

Based on an examination of the documents available to cleared advisors on the secure USTR website as of February 21, 2003, Singapore's commitments in the financial services sector (excluding insurance and asset management) contained in the proposed free trade agreement with Singapore (together with the listed reservations and limitations) range from acceptable to excellent from the point of view of U.S. industry. In particular, the provisions relating to regulatory transparency in the financial services are a tremendous achievement by U.S. negotiators and should serve as a starting point for all future financial services negotiations. In addition, the liberalization of the Singapore banking sector (in particular the local ATM networks and the availability of new banking licenses) represents an important achievement. While industry generally does not approve of restrictions on the free transfer of capital, we believe the formulation on transfers contained in the Chapter on Investment (an unrestricted commitment on free transfers together with some moderate restrictions on the Agreement's dispute resolution process in the event restrictions are imposed) represents an acceptable compromise and recognition of Singapore's position.

### **Healthcare Services**

The Agreement on the whole has the potential to advance the goals of creating a more open, equitable trading environment in the health services area. This agreement certainly

lays the foundation for an improved trading environment. However, because of specific reservations included by the Government of Singapore in the area of health services, several significant trade barriers remain. It is hoped that through clarifications, adjustments and further discussions, the remaining barriers in the health services area can also be overcome.

Singapore is developing into a regional health services hub, and has directed both financial and human resources into the strengthening of its medical research, medical training and medical services for export throughout the Asia Pacific region. Although American health service providers are seeing Singapore as a growing competitor, it also is viewed as a potential base for investment in clinic development, joint educational programming activities and telemedicine applications.

The FTA will help to enhance American participation in the growing Singaporean health services market. Transparency of regulations, establishment of National Treatment and Most Favored Nation status, and Market Access applications greatly enhance the attractiveness of investment in clinics, advanced training schools, etc. We are also heartened by Annex 8A, Professional Services, which encourages both parties to develop mutually acceptable standards and criteria for licensing and certifications, and for the development of procedures for temporary licensing. Recommendations in this regard are to be made to the Joint Committee. Such common standards can lead to visiting physician and professor programs, clinical training exchanges, and the like. We also note that the language in Annex 8A for Professional Services only “encourages” development of such standards, which tempers our enthusiasm.

Areas of concern include reservations taken by Singapore in: Higher Education Services, Medical Services, and Health and Social Services.

- Higher Education Services – in relation to the training of doctors. Only local universities are allowed to operate undergraduate or graduate programs for the training of doctors. Depending upon interpretation, this may exclude residency programs at hospitals managed or owned by American organizations.
- Medical Services – a reservation under National Treatment and Local Presence, which states only persons who are registered with the Singapore Medical Council and resident in Singapore can provide medical services. Persons who are seeking to be registered with the Singapore Medical Council and who are not Singapore citizens must complete 6 years of conditional registration before being eligible for full registration. Depending on interpretation, this reservation may be problematic in the development of telemedicine, second opinion consults and establishment of tele-clinics, which are real time patient examinations conducted remotely.

If the remote patient examination and analysis of medical data is considered “provision of medical services,” this reservation can dampen the growth of telemedicine services, tele-clinic development, and even remote surgery by

robotics. It also seems to be in contradiction to the goals and broad objectives of the section of the FTA on e-commerce. Those goals encourage the development of trade of services via digital means.

- Health and Social Services – Medical Services, Reservation-Market Access, which reserves the right to set limits on the number of doctors and pharmacists. Our concern is that the limits are not conducive to opening trade in services, and that successful discussions at the Joint Committee level toward establishing common standards and criteria may in time negate the need for such limits.

### **Insurance**

In general, the operating environment for U.S. insurers in Singapore has been a fairly favorable one for some time. Certain important additional rights were sought and achieved in this negotiation, including expedited availability of new insurance products, freedom of reinsurance, cross border sales of marine, aviation and transport products, and cross border rights for intermediaries. Additionally, important regulatory procedural transparency commitments were secured for financial services generally. Industry sought to structure commitments for market access and investment protections for insurance in this (and other) negotiations based on a framework referred to as the Model Insurance Schedule, which we believe has been substantially accomplished in this agreement.

The essential elements of the Model Schedule are reflected in Singapore's insurance commitments, including the right to full ownership, national treatment and Most Favored Nation (MFN) treatment. In addition and of particular importance is the provision regarding the expedited availability of insurance products. Under this provision U.S. insurers will be permitted to introduce new products without specific regulatory review and approval, and for those that do require review, they will be "deemed" to have been approved if approval is not specifically denied within a short period.

### **Legal Services**

The Agreement made very little progress. It did not achieve what was most important, the right of U.S. law firms with offices in Singapore to hire or form partnerships with Singapore lawyers and thus be able to offer clients the benefits of "one-stop shopping". The ability to obtain advice and assistance on Singapore and foreign law aspects of a matter would be of substantial value to clients. The Agreement continues, with minor relaxations, existing provisions that require a U.S. firm to enter into a joint venture with a Singapore firm as the only means of offering such benefits to clients. It also makes it somewhat easier for a U.S. lawyer to qualify as a Singapore lawyer, but would restrict such a lawyer to working for a Singapore firm. As a practical matter, these changes are of little value to U.S. lawyers.

Annex 1 regarding legal services defines that concept in terms of 'CPC861.' In our view, this is too narrow a definition of "legal services" and does not encompass the full range of legal services U.S. firms would want to provide in Singapore. A more expansive definition would seem appropriate.

On a more positive note, the Agreement moves toward codification of the existing custom or practice whereby lawyers (and other professionals) enter Singapore on temporary professional assignments and provide services that they are authorized and competent to provide in their home jurisdictions. The Agreement also allows U.S. lawyers to participate in arbitrations conducted in Singapore, with assistance from Singapore lawyers where the arbitrators are to apply Singapore law.

### **Telecommunications**

Under the Agreement, U.S. telecom service providers gain notable benefits. Singapore will accord substantial market access across its entire services regime, subject to very few exceptions.

U.S. services firms will enjoy fair and non-discriminatory treatment and the right to invest and establish a local services presence. Regulatory authorities must use open and transparent administrative procedures, consult with interested parties before issuing regulations, provide advance notice and comment periods for proposed rules, and publish all regulations.

U.S. firms have the right to own equity stakes in entities that may be created if Singapore chooses to privatize certain government-owned services.

### **Travel and Tourism Services**

On balance, we believe that the proposed Free Trade Agreement between Singapore and the United States will facilitate the provision of travel and tourism services between the two countries. The Agreement appears to provide for guaranteeing liberal access within the travel and tourism sector. We note that the reservations of Singapore do place certain limits on development and operation but these do not appear to outweigh the benefits of the overall agreement.

## **VI. Membership of ISAC 13**

A membership roster for the Industry Sector Advisory Committee on Services for Trade Policy Matters (ISAC 13) is attached.

**Industry Sector Advisory Committee  
For  
Trade Policy Matters  
Services (ISAC 13)  
Member Roster**

**Chairman**

Mr. Robert Vastine  
President  
U.S. Coalition of Service Industries

**Vice-Chairman**

Ms. Elizabeth Benson  
President  
Energy Associates

Mr. Thomas Allegretti  
President  
American Waterways Operators

Ms. Emily Altman  
Executive Director  
Morgan Stanley

Fredric S Berger, P.E.  
Senior Vice President  
The Louis Berger Group, Inc.

Mr. Stuart Brahs  
Vice President, Federal Government Affairs  
Principal Financial Group

Ms. S. Lauren Choi  
Trade Policy Manager  
Business Software Alliance

Mr. Gordon Cloney  
Chairman  
Institute for International Insurance Development

Mr. Ken Crerar  
President  
The Council of Insurance Agents and Brokers

Ms. Ellen Delage  
Director, International Relations  
The American Institute of Architects

Mr. Donald Deline  
Director, Government Affairs  
Halliburton Company

Peter Ehrenhaft, Esq.  
Attorney, Miller & Chevalier, Chartered  
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Dr. Richard Feigel  
Vice President Engineering  
The Hartford Steam Boiler Inspection and Insurance Company

Ms. Orit Frenkel  
Senior Manager for International Trade and Investment  
General Electric Company

Mr. John Gay  
Vice President, Government Affairs  
American Hotel and Lodging Association

Ms. Selina Jackson  
Public Affairs Manager for International Trade  
United Parcel Service

Mr. Leonard Karp  
Executive Vice President and Chief Operating Officer  
Philadelphia International Medicine

Ms. Laura Lane  
Vice President, International Public Policy  
AOL Time Warner, Inc.

Dr. Marjorie Lenn  
Executive Director  
Center for Quality Assurance in International Education

Donald Morgan, Esq.  
Cleary, Gottlieb, Steen and Hamilton

Mr. Kevin Mulvey  
Director, International Government Affairs  
American International Group, Inc.

Mr. Richard O'Brien  
Executive Vice President  
And Director of Government Relations  
American Association of Advertising Agencies

Mary Podesta, Esq.  
Senior Counsel  
Investment Company Institute

Ms. Bonnie Richardson  
Vice President, Trade and Federal Affairs  
Motion Picture Association of America, Inc.

Mr. Steven Stewart  
Director, Public Affairs, Market Access and Trade  
IBM Governmental Programs  
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Jay Tannon, Esq.  
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Mr. Carlos Villarreal  
Executive Vice President for Operations  
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Mr. Allen Weltmann  
Director, Government Affairs  
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Michael Werner, Esq.  
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Mr. Rhett Workman  
Director, International Programs  
Air Transport Association of America