

**Public Hearing
before the Trade Policy Staff Committee (TPSC)
on an International Services Agreement**

Washington, DC.

Tuesday, March 12, 2013

Chair Don Eiss's Opening Statement

This hearing will come to order.

This hearing is being conducted by the Trade Policy Staff Committee, an interagency body chaired by the Office of the U.S. Trade Representative. In addition to USTR, there are representatives from the Departments of Commerce, Labor, State, and Treasury on the panel. Many members of the USTR staff working on Services issues also will be present.

The subject of this hearing is the International Services Agreement (ISA). On January 15, 2013, the United States Trade Representative (USTR) formally notified Congress of the Administration's intent to enter into negotiations for an ISA to expand on the enormous potential that services trade providers for supporting additional U.S. jobs. The ISA negotiations will involve an initial group of 21 trading partners, who together represent almost two-thirds of global services trade. The Administration views the ISA as a significant step toward creating a more competitive, open environment for services trade and investment that could influence future trade liberalization efforts worldwide and position the United States well in one of the most competitive sectors of our economy.

USTR is seeking public comments regarding U.S. interests and priorities with regard to this initiative and has solicited testimony and written comments from the public. Today, we will hear from 12 witnesses. Written comments from other interested parties are available for review at

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www.regulations.gov, under docket number USTR-2013-0001.

Before proceeding, let me briefly review the structure for the hearing. Testimony will be done in panels. Each witness is invited to provide a five minute oral statement, summarizing the views contained in their more comprehensive written submission. That statement will be followed by questions from members of the government panel. As you can see, we do not have a red light to cut off a witness in the middle of a statement but I will discretely remind the witness as the time expires so that all witnesses and questions can be addressed in a timely manner. We will take a short break at 10:50 a.m. and resume testimony promptly at 11:05 a.m. I would also note that the transcript of the hearing will be posted on the docket for this hearing on regulations.gov within approximately three weeks of the hearing. I will now ask the panel members to introduce themselves. Then, Christopher Melly, the Deputy Assistant U.S. Trade Representative for Services, will make a statement.

Thank you.

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**Opening Statement
Deputy Assistant U.S. Trade Representative for Services
Christopher P. Melly**

Thank you, Don. Welcome to witnesses, USG panelists, gallery.

We are looking forward to receiving your testimony today regarding the Administration's decision to initiate negotiations for a new International Services Agreement (ISA).

The ISA provides an opportunity to expand services trade among 21 parties, representing 47 economies and nearly two-thirds of global trade in services. With every \$1 billion in U.S. services exports supporting an estimated 4,000 U.S. jobs, the ISA holds the promise of real benefits for service workers – from engineers to software designers, accountants to college professors.

U.S. objectives for the agreement include ensuring that our service suppliers can compete on the basis of quality and competence rather than nationality; securing greater regulatory transparency and predictability from our trading partners; and addressing new issues arising in the global marketplace. Our overarching goal is to create an environment that enables our service suppliers

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to do what they do best, anywhere in the world. Given a fair chance, we are confident that they will be successful.

The purpose of this hearing is to receive input from interested parties that will help us in developing the U.S. negotiating position. This will not be the only opportunity. We will welcome additional input throughout the negotiation process.

Through the Federal Register notice, USTR invited comments concerning: (a) economic costs and benefits to U.S. service suppliers and consumers of eliminating barriers to services traded either on a cross-border basis or through a foreign commercial presence; (b) existing barriers to trade in services that should be addressed; (c) areas where existing international rules governing services trade, such as those found in the General Agreement on Trade in Services and U.S. free trade agreements, could be strengthened or enhanced; and (d) relevant issues related to the supply of services through various modes of supply and technologies.

We received nearly 50 written submissions. And today we will hear the testimony of 12 witnesses, who represent a wide range of interests. We greatly appreciate the work that went into the submissions and testimony, and want to underscore the importance of these consultations in helping us both to better understand the concerns and objectives of our many stakeholders.

Again, thank you for coming today. We look forward to hearing your testimony.