

(TPSC), Office of the USTR, at (202) 395-6143.

FOR FURTHER INFORMATION CONTACT: For procedural questions concerning public comments, contact Gloria Blue, Executive Secretary, TPSC, Office of the USTR, 1724 F Street, NW., Washington, DC 20508, telephone (202) 395-3475. Substantive questions concerning this review should be addressed to Mark Mowrey, Deputy Assistant U.S. Trade Representative for Europe and the Mediterranean, Telephone (202) 395-3320.

SUPPLEMENTARY INFORMATION:

1. Background Information

On April 16, 2003, Poland, Hungary, Czech Republic, Slovakia, Slovenia, Latvia, Lithuania, Estonia, Malta and Cyprus signed a Treaty of Accession to the European Union. Following ratification of the Treaty by current EU member States and by the acceding countries, the acceding countries are expected to join the EU formally on May 1, 2004.

As part of the EU accession process, the accession countries are required to adopt the EU's common body of law or *acquis communautaire*. This will entail, *inter alia*, adoption by the accession countries of the EU's common external tariffs for goods imported from third countries, possible adoption or alteration by the accession countries of tariff rate quotas (TRQs) on various products (to make them compatible with EU TRQs), and harmonization of accession country regulatory requirements with EU regulations affecting the import of various good and services.

Under WTO rules, the EU must notify other WTO members of its intent to modify or withdraw market access commitments it has made on goods and services in order to expand the EU to include the accession countries. To date, the EU has not sent such notifications to the WTO, though the United States expects these to be made promptly.

Goods

Applicable GATT 1994 Procedures: If a WTO Member joining a customs union plans to raise a duty rate on a product which is bound in its WTO Schedule of concessions (a "tariff concession"), it may renegotiate the tariff concession on that product under Article XXIV:6 of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") and the procedures of GATT 1994 Article XXVIII. This renegotiation may result in the provision of compensation (for example, reduction of duties on other

products) that is no less favorable to trade than the original tariff concession.

Submissions: The public is encouraged to identify on a country-specific basis where the accession countries' adoption of the EU common external tariff will result in tariff increases or changes to tariff-rate quotas (TRQs) affecting U.S. commercial interests in the accession countries. The accession countries also will likely alter their TRQs to bring them more into line with EU TRQs. The public also is asked to evaluate the potential for: (1) Changes to current TRQs in terms of rates or volume of the TRQ; (2) the loss of existing TRQs in the accession countries; or (3) the imposition of new TRQs where they do not currently exist in the accession countries.

Current tariff rates for the EU and Malta and Cyprus can be obtained by calling the Department of Commerce's Trade Information Center at 1-800-USA-TRADE. Alternatively, the EU common external tariff schedule can be accessed at http://www.trade.gov/td/tic/tariff/eu_schedule/index.htm. Tariff rates for Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia and Slovenia can be obtained by calling the Central and Eastern Europe Business Information Center (CEEBC) at (202) 482-2645.

Services

Applicable GATS Procedures: Article V, paragraph 5, of the *General Agreement on Trade in Services* (GATS) provides that if a WTO Member intends to modify or withdraw a specific GATS commitment as a result of joining an economic integration agreement such as a customs union, it must provide 90 days advance notice of such modification and follow the applicable procedures set out in GATS Article XXI. Paragraph 2 of Article XXI provides that WTO Members who believe they may be affected by the proposed modification of commitments can request negotiations with the modifying Member with the purpose of reaching an agreement on compensation for the proposed modification.

The accession countries' joining of the EU may also entail modification of the existing lists of MFN exemptions maintained by the EU or the accession countries under GATS Article II. The United States maintains that the EU must engage through a separate WTO process (namely a waiver process under Article IX of the Agreement Establishing the WTO) with its partners in cases where modifications to MFN exemption lists are contemplated. However, comments from the public on anticipated trade impacts implied by a

consolidation of the existing accession country and EU MFN exemptions lists are also solicited through this notice.

Submissions: The public is advised to examine the existing GATS schedules of specific commitments and lists of most-favored-nation exemptions of the EU in comparison with those of Poland, Hungary, Czech Republic, Slovakia, Slovenia, Latvia, Lithuania, Estonia, Malta and Cyprus to determine whether changes implied through consolidation of the schedules and lists would adversely impact U.S. commercial interests. The existing schedules and lists are accessible through the WTO's Services Database Web site, <http://tsdb.wto.org/wto/WTOHomepublic.htm>. From that site, click on "Pre-defined Reports" and then "All Sectors in Each Country."

Other regulatory measures

Adoption of the EU *acquis communautaire* by the accession countries will entail adoption of the EU's standards, regulations and conformity assessment procedures, including sanitary and phytosanitary requirements, testing, certification, labeling requirements, *etc.* The accession countries will also be obligated to impose import restrictions, quantitative restrictions and antidumping orders similar to those of the EU. The public is encouraged to comment where appropriate on how the introduction of these types of regulatory measures would affect U.S. commercial interests.

Supportive Data and Recommendations for Compensation

All submissions should describe the product or service in question, and in the case of products, should include the Harmonized System tariff heading(s). Submissions should describe the current market access for the products or services, including value and quantity of exports, any existing problems, and should identify changes that are anticipated upon accession countries' entry into the EU.

Submissions may also include recommendations for appropriate compensation the United States might seek for instances of diminished market access. These recommendations could include such items as reductions in the EU common external tariff on goods, improvements to EU market access commitments on goods and services, or other changes in the EU trade regime for goods and services.

2. Requirements for Submissions

To ensure prompt and full consideration of responses, USTR