

<p style="text-align: center;">DRAFT PLURILATERAL REQUEST ENVIRONMENTAL SERVICES</p>

I. Background and Objectives

Further to paragraphs 25 through 27 of the Hong Kong Ministerial Declaration, and in accordance with paragraphs 7 and 11 (b) of Annex C of the Hong Kong Ministerial Declaration, the Mission of the European Communities is pleased to present the delegation of [recipient Member] with a collective request in environmental services on behalf of the following interested Members: Australia, Canada, the European Communities, Japan, Korea, Switzerland, The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, and the United States.

This request identifies specific objectives for environmental services liberalization, while recognizing the flexibilities provided for individual developing country Members in accordance with Article XIX.2 of the GATS. The aforementioned interested Members are also deemed to be recipients of this request.

In accordance with paragraph 7 of Annex C of the Hong Kong Ministerial Declaration, this collective request is intended to complement, and not supersede, the bilateral request-offer negotiations and the specificity of bilateral requests.

The Mission of the European Communities has the further pleasure to invite [recipient Member] to participate in a plurilateral discussion of this request, which will be organized in Geneva during the Services cluster taking place from 27 March to 7 April, 2006.

Please note that 22 other Members have received this collective request in environmental services from the aforementioned group of interested Members, and have also been invited to this plurilateral meeting.

The aforementioned interested Members reserve the right to modify the content of this request in the future. The list of interested Members is also subject to change.

Any comments regarding this request, including written questions of a technical nature in advance of the plurilateral meeting, may be addressed to:

[co-ordinator contact information]

Environmental goods and services were singled out for liberalization in paragraph 31 (iii) of the Doha Declaration. The requesting Members note that liberalized environmental services market benefits both exporters and importers of these services as well as environment and development

It is understood that liberalization in these sectors will not impair the ability of governments to impose performance and quality controls on environmental services

and to otherwise ensure that service suppliers are fully qualified and carry out their tasks in an environmentally sound manner. In addition, as under current obligations, each WTO Member can establish, maintain, and enforce its own levels of protection, *inter alia*, for consumers, health, safety, and the environment.

We note the important interplay between the liberalization of environmental services and the liberalization of related services, such as construction, engineering, technical testing and analysis, and management consulting. Finally, this plurilateral request doesn't address in any way water for human use (i.e. the collection, purification and distribution of natural water).

II. Request

Sector Coverage

In the WTO Services Sectoral Classification List (WTO Document W/120), the environmental services sector is defined as being comprised of four sub-sectors of activity: 6.A Sewage services; 6.B. Refuse-disposal services; 6.C. Sanitation and similar services; and 6.D Other Environmental Services. However, the CPC contains several additional sub-sectors of activity for environmental services, namely, Cleaning Services of exhaust gases (CPC 9404), Noise abatement services (CPC 9405), Nature and landscape protection services (CPC 9406) and Other environmental services not elsewhere classified (CPC 9409).

We request that recipients of this request undertake commitments across all environmental services sub-sectors using the corresponding provisional UN CPC 94 classifications (9401, 9402, 9403, 9404, 9405, 9406, and 9409).

With respect to use of headings, a Member may schedule either on the basis of existing sub-headings for environmental services contained in the W/120 and UN CPCs or may use a revised classification which some Members have felt better reflects the commercial reality of environmental services markets. Irrespective of choice of sub-heading, CPC 9401, 9402, 9403, 9404, 9405, 9406 and 9409 should be explicitly listed in a Member's commitments.

9401 – Sewage Services: Please schedule commitments explicitly referencing the Provisional UN CPC code. Some Members have used the revised heading, “Wastewater management.”

9402 and 9403 – Refuse Disposal Services (9402) and Sanitation and Similar Services (9403): Please schedule commitments explicitly referencing the Provisional UN CPC codes. Some Members have turned the headings into subheadings and have used a combined heading entitled “Solid/Hazardous Waste Management” for this sector.

9404 – Cleaning Services of Exhaust Gases: Please schedule commitments under either the W/120 heading 6.D. Other or use the revised heading “Protection of Ambient Air and Climate” which some Members have used for purposes of clarity.

9405 – Noise Abatement Services: Please schedule commitments under either the W/120 heading 6.D. Other or use the revised heading, “Noise and Vibration Abatement,” which some Members are using in order to recognize the linkages between noise and vibration abatement services (e.g. vibration can cause noise, and noise can cause vibration).

9406 – Nature and Landscape Protection Services: Please schedule commitments under either the W/120 heading 6.D. Other or divide these commitments into two headings, “Remediation and clean up of soil and water” and “Protection of biodiversity and landscape,” which some Members have used for purposes of clarity.

9409 – Other Environmental Protection Services n.e.c.: Please schedule commitments using either the W/120 heading 6.D. Other or the revised heading “Other Environmental and Ancillary Services”. Commitments for this sub-sector include acidifying deposition (“acid rain”) monitoring, controlling and damage assessment services.

Level of commitment

Mode 1 Commitments: We request that recipients of this request schedule “none”, where possible.

Previously, some Members scheduled this mode as unbound due to lack of technical feasibility. There is a broad convergence of views that there are advisory and monitoring services that can take place via this mode of delivery. For example, a wastewater treatment plant can be operated and monitored remotely from a second country, air pollution levels in one country can be monitored from a second country and the design and development of a waste management plan can be provided through telecopy or the Internet.

Mode 2 Commitments: We request that recipients of this request undertake full commitments in Mode 2 for all subsectors.

Mode 3 Commitments: As environmental services are predominantly supplied via Mode 3, we request that recipients of this request undertake ambitious commitments under Mode 3 and remove barriers to commercial presence (e.g. foreign equity limitations, Joint Operation requirements, restrictions or requirements on types of legal entity for foreigners, such as Joint Venture). At a minimum, we request that recipients expeditiously phase out barriers to commercial presence.

We note that the supply of services at central or local level may be subject to public monopoly and exclusive rights. To the extent that a Member awards exclusive rights contracts to environmental service suppliers, foreign service suppliers should be able to participate in the supply of the service. We underline that contracts that are executed pursuant to laws, regulations or requirements governing the procurement by governmental agencies of services purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial resale are not addressed by this request.

It should be noted that commercial presence by itself necessarily leads to employment of local personnel and transfer of technology and know-how.

Mode 4 Commitments: We encourage recipients of this request to schedule Mode 4 commitments to ensure mobility of service suppliers involved in the supply of environmental services. As a result of the evolution of environmental services, specialised knowledge and skills are very important in this sector. Members may schedule the commitments either under the sector headings or under the horizontal commitments.¹

¹ For this element, the United States is not a requesting Member, but shall be deemed to be a recipient.