

**Transcript of USTR Press Briefing
Miami FTAA Meetings
September 17, 2003**

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Ambassador Wilson: Thank you very much. It's a pleasure to be here and to meet with you and to describe some of the work that we've been engaged in. The meeting of the FTAA Trade Negotiating Committee has been going on for two days. We're now on the third day having begun on Saturday, had discussions yesterday will continue on again tomorrow. That means of course that we are about halfway through the work of preparing the ground or the stage for our Ministers who will be arriving, I think some tomorrow and Wednesday for the meetings that they will have, the plenary meeting that they will have beginning on Thursday.

A lot of our discussion here has dealt with the draft declaration that Ministers should adopt. We have been working off of a new draft text that was presented shortly before the outset of our formal discussions here on Saturday. A new draft that was prepared by the United States and Brazil as co-chairs of this process and it reflects our on-going cooperation with Brazil in providing leadership to the FTAA process. This draft, among other things builds off and incorporates some of the ideas that were discussed at the Lansdowne informal Mini Ministerial that took place late last week. It is I think seen as a constructive, overall the document is seen as a constructive proposal by the co-chairs replacing what had become a rather unwieldy document, mostly I guess for procedural reasons.

We've had a long discussion yesterday of the treatment of differences of levels of development and sizes of economy both in general and especially with regard to the draft declaration. We had a long discussion of the hemispheric cooperation program and the process of developing trade strategies and trade capacity building strategies that are necessary to mobilize international resources in support of those trade strategies, and in support of what we're trying to do in the FTAA. We've also had a long conversation about importance transparency in the FTAA process. A number of documents have been and are being proposed to Ministers for "de-restriction" and therefore public release.

We also talked about the importance that everyone attaches to the Americas Business Forum and the Americas Trade and Sustainable Development Forum and the meetings that the Ministers will have with those two groups. We're still very much, as I began my remarks, we are still very much in the middle of our discussions about the direction that Ministers should give to the FTAA process. The talks are very much ongoing and I would characterize them as productive and workman like. We are working off of what has been for sometime our priorities in the FTAA negotiations which include seven key elements.

First: that the FTAA agreement should be comprehensive;

Second: that we build off of the existing decisions that our leaders and ministers have made at past summits of the Americas and past ministerials and past meetings of the TNC;

Third: that we look for ways to incorporate, continue to look for ways to incorporate sufficient flexibility to deal with countries different situations;

Fourth: that we recognize that benefits are related to obligations, that is a principal inherent in any negotiation and there always has been one inherent in this negotiation;

Fifth: that we deal with the special circumstances that the small economies have and in particular the smallest economies;

Sixth: that we in everything we do we bear in mind that our ultimate goals are an area of free trade and regional integration, and so if we all believe and recognize that it's important to take steps that move us in that direction;

And last: that we reaffirm our January 2005 deadline.

These principles are ones on which there was a certain amount of agreement at the meeting at Lansdowne last weekend. There is I think, broad recognition that these represent a constructive way forward for the FTAA. Clearly there are still a number of issues on the table. We're halfway through our work and of course the Ministers haven't even gotten here yet. But I think we've done a lot in two days to prepare the grounds for productive discussions at the end of the week.

Why don't I close at that and take questions.

Richard Mills: We will be happy to take your questions. Corey?

Question: Corey Henry, Inside US Trade, Ambassador Wilson, the declaration you're working off, it seems to indicate that a decision is not likely to be made here in terms of what obligations will be included in the FTAA and which would be excluded. In other words it doesn't seem to indicate whether or not you would decide a investment or competition or either domestic support or trade remedy rules or any of that would be included, but rather just seems to leave open the possibility that you could work out some of the lateral framework possibly through the TNC process. So do you envision leaving Miami with a decision on what sectors are in and which may be left for plurilaterals?

Ambassador Wilson: As I indicated, there is broad support for an agreement that is comprehensive and that includes due respect or recognition of existing mandates decisions by our leaders and ministers and so forth. Those previous decisions include specific reference to nine different negotiating disciplines that include those you mentioned, as well as market access, agriculture, dispute settlement, anti-dumping, countervailing duty subsidies. There are a couple of others. There are nine different

groups and the reference to mandates and the reference to comprehensive takes those into account.

The second point I'd make is that we're still very much in discussion about the kinds of specific instructions that will come out from this group and I think I'd probably just like to leave it at that as to what the outcome will be.

Question: Carol Williams with the Los Angeles Times, are you finding that you're having to whittle down the core of the agreement to get complete unanimity of the 34 members, are you having to take out certain elements such as agricultural subsidies and protection of intellectual properties in order to get agreement among the 34 ministers?

Ambassador Wilson: I think the way I would characterize the discussion, Carol it's good to see you. Many years ago, were at Moscow together. The way I would characterize this is that the discussions are oriented at what kinds of basic principles can we agree upon to bring us together. From that we will have a discussion that's related to the specific, and have been having a discussion related to the specific areas of negotiation. The, the uh, having all the parties sign on to the principles of "comprehensive within existing mandates and flexibility", is provides us a frame work for proceeding in all of the areas with due respect to different countries sensitivities and limitations on specific issues. Again, the outcome is one the Ministers will decide upon. The Vice Ministers are still very much framing up the decision for Ministers and we'll see where this ends on Friday afternoon.

Richard Mills: If I could just add, you know it's important to remember that this is a negotiation involving 34 countries. That means it's extremely complex and it's extremely difficult at times to reach commonality in the quickest fashion. It's a hard task but it's something that we believe is an important goal for this hemisphere and that's a view that is shared by others. And that's why day in and day out countries are negotiating and working to open their markets and to become more integrated.

Question: Paolo Sotero, O'Estado, Sao Paolo, Brazil, on the fourth point mentioned and the co-President's proposal, for the ministerial declaration, talk about benefits related to obligations. We know also that this two countries Chile and Canada define that relationship as one of conditionality. That benefits should be conditioned, on the level of obligations required by countries. As the future negotiations do you think that the declarations should go into that level of detail or would you prefer to leave it as vague as it is?

Richard Mills: Let me just make clear, you are asking about in its opening Amb. Wilson's comments about U.S. priorities? Correct?

Ambassador Wilson: No, the first point I was going to make was what I characterized my remarks were describing what are U.S. priorities not what is in the cochairs presentation or draft presentation to Ministers. I think that it is inherent in any negotiating process that there are benefits that countries expect to get out of an agreement if one is

reached and their obligations that countries expect to make or commit to as part of that agreement. Sometimes there are a lot of benefits, direct benefits; sometimes there are fewer, sometimes there are more or fewer obligations. It is logical that there'd be some relationship between those two, and I think there is broad recognition that there is some relationship here how that gets expressed or elaborated I think its something you can approach in a variety of different ways there has been a little of discussion about this principal in the TNC but I guess I would characterize that discussion as a very much uncompleted discussion and one that in some measure may have may have also be one that the ministers will take up when they gather on Thursday.

Question: Hi! Doug Palmer with Reuters, I'm confused by the reference to plurilateral agreements within the draft declarations and I just wonder how does that mesh with the goal of comprehensiveness, because if you are having plurilateral agreements were some principal entries such as Brazil I guess for example could opt out how do you then have a comprehensive agreement?

Ambassador Wilson: Well first of all I didn't say anything about plurilaterals and I just want to make that note. There are variety of ways, I think, speaking objectively and not with respect to these negotiations to accommodate flexibility and comprehensive an overall comprehensive objective, what we have been doing and what we are continuing to do is to find that appropriate way that allows us to go forward that includes the appropriate balance, refers to the appropriate principals with respect to benefits and commitments and it provides a framework from which we can proceed. I'd guess I'd like to leave at that the ministers will be taking up these issues also when they meet. The TNC is very much not completed the discussion of this issues and we'll see where this ends up.

Question: Mike Estrel, Dow Jones News Wires , there's been a lot of discussion . . . impasse on the agricultural issue with Mercusor and the U.S. and a curious as if there is any movement at all on part of the U.S. to make some concessions other than tackling agricultural subsidies that is dealing with maybe tariffs or quotas, that could bring some momentum back to the discussions?

Ambassador Wilson: The discussions that we have had in the TNC have not dealt specifically in any significant, in any detail with specific provisions or specific positions regarding products or even really in any specific negotiating groups. This is not that kind of negotiation that talks about steps or initiatives that countries wish to take on specific issues such as agriculture or intellectual property or any others that are in the negotiating groups sessions that meet between the convening of the TNC. I'll leave it at that.

Question: Clovis Rossi, from Brazilian Daily News, Sao Paolo, the U.S. has spent the last two months since Cancun criticizing strongly Brazil for its position in Cancun and even in the FTAA process. None the less this document by the co-chairs seems to be much closer to Brazilian . . . approach to FTAA then by the high level of the American ambitions. What happened so that the United States could sign this draft declaration proposal this draft declaration with a minor level of ambition?

Ambassador Wilson: First, am not surely I entirely agree with the characterization you made about the United States criticism of Brazil and the positions that it's taken I did say some things after the meeting of the TNC in Port of Spain expressing some disappointment about how the negotiating tactics that Brazil had shown at those meetings. But I think as co-chairs we have always felt a keen responsibility to provide leadership to the process and in particular to make sure that the process moves forward step by step each meeting, each action, that we take moving the process a little bit forward.

Second, thing I would say would be to disagree with the notion that we are considering or preparing to sign on to something that is a retreat from U.S. negotiating objectives. All of the things that I identified comprehensive, established mandates, flexibility, benefits related to commitments, small economies, our ultimate goal of January 2005, those are all long standing positions. We believe that the outcome here will advance our objectives, the United States objectives, and it will also advance the objectives of all 34 nations who are working as Mr. Mills indicated in a very complex and very ambitious undertaking that requires patience step by step work over a significant period of time. The outcome here should advance the process and that's what's important.

Question: Simon Romero, from the New York Times, I just wanted to return to Paolo's questions that he asked earlier regarding the issues raised by Canada and Chile. I just wanted to rephrase it a bit if countries such as Canada, Chile and Mexico that have already signed trade agreements with the U.S. see this sort of shift in strategy in the part of U.S. and Brazil them ending in getting the short end of the stick as the lead U.S. negotiator what are you saying to those concerns of those three countries in particular and also just on their effort to move attention away from the document that the U.S. and Brazil submitted over the weekend. Is this going to be a make or break issue for the negotiations to move forward?

Ambassador Wilson: Well, I guess I'd answer the question this way: Um, at the end of the discussions in Landsdowne, the Ministers from Brazil, Canada, Mexico, all of the ministers there expressed their appreciation to Ambassador Zoellick and foreign minister Amorim for the leadership they have shown on those discussions in trying to find a way to move the talks forward. We have echoed that in the discussions we've had here with the vice-ministers in the run-up to the TNC and the bilateral meetings that we had on Friday we have continued to make that the focus of our discussions with them in the context of the TNC itself.

Question: And so is this a make or break issue?

Ambassador Wilson: I believe there is substantial recognition, in fact recognition among all 34 countries who are negotiating upstairs in the TNC, that we need to continue to work together to find creative solutions that satisfy everybody, that advance everybody's interests and create a favorable basis for our work together in 2004 to try to bring the agreement to a conclusion. There is some debate about what is the right way to prepare the ground for progress in 2004, but I am not sure - in fact I am quite sure that

there is not substantial disagreement over the end goals of this process on which all 34 countries are very much united including, in particular, Canada, Chile and Mexico.

Question: Simon Rodriguez, Mexican . . . , Mr. Wilson, you were talking about transparency, but in the Business Forum of the Americas, they said that a couple of thousand business leaders have united there to make the recommendations that they can make through the negotiators or the trade ministers, but nobody can give us a simple name that one of the business leaders are, so do you think there is enough transparency in all the process involved?

Christopher Padilla: Well, I would say that the United States government has worked very hard to make Miami the most open and transparent trading ministerial ever in history.

There are more than 1300 representatives of hemispheric business as well as civil society, including environmental organizations, labor unions, citizen groups meeting only two blocks from here, inside the security perimeter - which we've arranged with the authorities - so that these business and civil society representatives can meet in a safe and secure environment to provide us with there recommendations.

In fact, the first official thing the Ministers will do when they arrive here in Miami, is to have meetings on Wednesday afternoon with business and civil society. It is our hope to have a very productive round table dialogue with both groups. We want to use an innovative method of having a back and forth discussion rather than having Ministers sitting there listening to speeches as has been done in the past. And we're also using technology in an unprecedented way. I gave briefings last night to both the business forum and the civil society forum and those were taped and soon they will be available on the USTR website so that those who are not able to travel to Miami will have some insight to what's going on here.

Today, the US Trade Representatives Office has released this facts sheet called *Trade Facts* with a number of important items about the Free Trade Area of the Americas and also answering some of the criticisms that have been made by those who are opposed to trade liberalization. So we're pretty confident that we have taken extraordinary steps to making this a transparent event.

Richard Mills: I think we have time for one more question. Someone who hasn't asked, Jane?

Question: Jane Bussey from the Miami Herald, Ambassador Wilson, in the declaration signed in Quito last year, it called for a single undertaking, it's a very broad document, and in my reading what is being bandied about now with opt-in and opt-out doesn't sound like a single undertaking, and you know, it seems to me reading of the Quito document and what I've read so far, it's quite different.

Answer: Was there a question?

Question: I'm sorry, the question is you said this is not a scaling back, it's the same aspirations as always, but if you can opt-in or opt-out isn't that in contradiction of a single undertaking?

Ambassador Wilson: Well first, I did not use words like opt-in or opt-out any more than used a word like plurilateral. There have been discussions about what are the right mechanisms to accommodate different countries sensitivities and I think the way I would leave that today is that those discussions are on going. The solution that is being talked about, the declaration that is being talked about, as I indicated in the beginning includes specific reference to decisions that have been made by leaders and by Ministers which includes a specific decision that the FTAA will be a single undertaking. No one here is talking about retreating in any significant or substantive way from the goals that have been set by the 34 nations involved in this exercise.

Richard Mills: Okay, thank you very much.

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