

## **Resolution on Government Procurement Code Negotiations**

**WHEREAS**, The United States Trade Representative is currently engaged in ongoing multilateral negotiations concerning the Government Procurement Code ("GPC"); and

**WHEREAS**, The GPC grew out of the Tokyo round of negotiations on the General Agreement on Tariffs and Trade, in 1980; and

**WHEREAS**, The GPC is intended to provide equal footing to foreign and domestic suppliers for government purchases subject to the Code; and

**WHEREAS**, Currently 23 countries participate in the GPC (Austria, Canada, Belgium, Denmark, France, West Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, the United Kingdom, Finland, Hong Kong, Israel, Japan, Norway, Singapore, Sweden, Switzerland and the United States; and

**WHEREAS**, A procurement is currently subject to the Code if the following four standards are met: (1) a product, as opposed to a service, is being procured; (2) the contract value would be equal or greater than \$156,000; (3) the contract is to be granted by an entity under the "direct or substantial control" of a signatory country and is designated by the signatory or any other designated entity; (4) the particular type of procurement is enumerated in the Code; and

**WHEREAS**, During the multilateral trade negotiations concerning the Government Procedure Code ("Code") which were initiated in 1987, the issue of whether telecommunications procurement and services should be required to adhere to the Code has been raised; and

**WHEREAS**, The European Community ("EC") has agreed that their telecommunications systems ("Postal Telegraph and Telephones" or "PTTs") should be subject to the GPC and has insisted that certain private United States telecommunications companies--AT&T, Southern New England Telephone Company, General Telephone Company, and the seven Regional Bell Operating Companies--should also be subject to the GPC, and additionally, that the GPC should apply to state and local authorities; and

**WHEREAS**, The United States Trade Representative has taken the position that no privately owned telecommunications companies should be subject to the GPC; and

**WHEREAS**, This issue is currently being discussed by the EC and United States in the quarterly bilateral discussions conducted pursuant to the 1988 Trade Act; and

**WHEREAS**, The potential application of the GPC to some United States telecommunications providers raises the concern that state regulatory commissions could be preempted from reviewing procurement practices, to the extent that state standards may be inconsistent with the Code; and

**WHEREAS**, The United States Trade Representative has taken the position that U.S. telecommunications market is open to foreign suppliers under the existing procurement procedures; now, therefore, be it

**RESOLVED**, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its Summer Meeting in San Francisco, California, expresses its support for the United States Trade Representative's position that no privately owned telecommunications should be made subject to the GPC; and be it further

**RESOLVED**, That the NARUC General Counsel is directed to timely communicate the NARUC's support for the United States Trade Representative's position as set forth in this Resolution.

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Sponsored by the Committee on Communications  
Adopted July 24, 1991