## COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.8.2007 SEC(2007)1063 final/2

**DECLASSIFIED PART** 

# RECOMMENDATION FROM THE COMMISSION TO THE COUNCIL

authorising the Commission to open negotiations with the United States with a view to reach agreement on any necessary compensatory adjustment for the withdrawal of commitments on gambling and betting services pursuant to GATS Article XXI

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## **A. EXPLANATORY MEMORANDUM**

The United States notified the WTO Council on Trade in Services on 8 May 2007 of its intention to modify, in part, its Schedule of Specific Commitments in the area of "Other Recreational Services", pursuant to Article XXI:1(b) of the GATS and paragraph 1 of the Procedures for the Implementation of Article XXI of the GATS (WTO S/L/80). The proposed modification specifically excludes gambling and betting services from the sub-sector coverage.

The European Communities took note of the notification from the United States and considered on this basis that the interests of the European Communities under the GATS may be affected by the proposed modifications or withdrawals and, consequently, on 19 June 2007 the European Communities filed a claim of interest. The Commission needs therefore to be in a position to enter into negotiations on behalf of the European Community with the United States with a view to reaching agreement on any necessary compensatory adjustments resulting from the withdrawal of the United States' commitments.

## **B. RECOMMENDATION**

In the light of the above, the Commission hereby recommends:

- The Council authorises the Commission to conduct negotiations with the United States with a view to reaching agreement on any necessary compensatory adjustment for the withdrawal of commitments on gambling and betting services notified to the World Trade Organization by the United States on 8 May 2007 pursuant to GATS Article XXI;
- the Commission conducts those negotiations on behalf of the European Community in consultation with the Special Committee provided for in Article 133 of the Treaty;
- the Commission reports to the Council on the outcome of the negotiations and, where appropriate, on any problem that may arise during the negotiations;
- and the Council issues the appended negotiating directives.

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