

Response by Friends of the Earth to
the DTI's consultation
Liberalising trade in services – a new consultation

January 2003

SUMMARY

Friends of the Earth believes that the potential negative environmental and social impacts of the current negotiations to liberalise world trade in services are so significant (both in the UK and elsewhere) that negotiations should be suspended and an independent review of the existing agreement (and possibly other trade agreements) conducted.

With respect to the UK, we have concerns both about the general scope and cross-cutting impact of the GATS; and in several key sectors. Perhaps the most important cross-cutting issue in relation to sustainability in the UK is the potential impacts of the GATS negotiations on the ability of national government, local authorities and possibly even utility regulators to develop and implement regulations and standards designed to protect the environment and control planning. If there is any risk that they could be deemed trade barriers under GATS rules – which were designed first and foremost with the interests of transnational service corporations in mind - the WTO, with its strong enforcement mechanism, could take precedence, with the domestic regulations and standards in question being challenged and removed (if not avoided from the outset).

With this in mind and given the summary of specific requests provided by the Government, Friends of the Earth has specific concerns that the GATS negotiations have the potential (assuming the requests listed were agreed to) to:

- *undermine* the future of independent research and development;
- *threaten* state-owned woodland, nature reserves, parks and public footpaths;
- *unravel* the current planning system (including through the elimination of economic needs tests), allowing its replacement with a free-market US-style zoning system;
- *influence* the regulation and location of environmental services, including waste disposal sites and incinerators;
- *threaten* current limitations on the transfer of water in the UK;
- *undermine* regulations ensuring access to water for all;
- *undermine* waste reduction policies;

- ***prevent*** the introduction of new policies on ambient air and the remediation of contaminated land;
- ***threaten*** existing and potential maritime safety standards;
- ***promote*** highly polluting air transport;
- ***prevent*** the full and proper consideration of the impact of various land transport (ie, road and rail) developments on communities and their environment;
- ***worsen*** the current rail crisis in the UK; and
- ***prevent*** the development of policies to reduce energy demand and promote energy efficient technologies.

Given the extraordinary breadth and potential impacts of GATS, the fact that governments have also committed to progressive liberalisation in future trade rounds, and the way in which GATS will prevent the introduction of new precautionary policies after liberalisation of a sector, there can only be one recommendation. The GATS agreement and negotiations, which have so far been taken forward with only commercial interests in mind, must be suspended and reviewed.

INTRODUCTION

Given the scope of the current GATS negotiations (which include the request-offer process in up to 150 service sectors as well as negotiations on horizontal issues such as domestic regulation and subsidies) the time made available for this consultation is insufficient. The potential impacts of the GATS negotiations, both in the UK and internationally, are breathtaking, and Friends of the Earth is firmly of the opinion that there should be a moratorium on all GATS negotiations and an independent review of the impacts of the existing GATS agreement on society and the environment. We have chosen to participate in this consultation process with this in mind. We view it as an important opportunity to demonstrate our very real concerns about the legitimacy of the entire GATS process.

Furthermore, although Friends of the Earth welcomes the Government's decision to take this first step forward in releasing critical information about the negotiating process, the information provided is not sufficient. Given the potential impacts of the GATS agreement it is *essential* that all negotiating documents, including requests made *both by and to* the European Union, should be made available to the public. The argument that WTO 'tradition' demands confidentiality does not and cannot hold. This issue is far too important and the public has a right to know exactly what is being negotiated on their behalf.

This response cannot therefore be considered comprehensive. There has been too little time to consult experts in all the relevant sectors and insufficient information has been made available. Furthermore, the impact of the UK's negotiating position on others (in developing countries, for example) is not even on the table. In addition, we are currently undertaking research into the

potential impact of the GATS negotiations on the status of local authorities, which is highly relevant to the debate but not yet complete. For all these reasons, we must state that this response is both brief and preliminary, and further submissions will be made.

Finally, it is important to note that, as with other trade liberalisation negotiations, the comments made below are speculative in nature. The language of the GATS negotiations is typically vague and open to legal interpretation at a later date (during a dispute, for example) and precise interpretations are impossible. The critical point here, however, is that the Government *must* acknowledge that it is in the same position: no matter what it says about its intentions or understanding (on whether public services or domestic regulation are at risk, for example), it cannot predict the outcome of intense negotiations and future legal wrangles. It is therefore wrong to rush headlong into negotiations. A moratorium and review are essential. Nothing else is acceptable.

This briefing therefore sets out some of our fundamental concerns with the overall GATS process, key concerns in a number of sectors as listed in the consultation document and also a number of other important cross-cutting issues that must not be overlooked.

FUNDAMENTAL PROBLEMS

Friends of the Earth is extremely concerned that the very basis for the GATS negotiations is flawed, for a number of reasons, and of the view that a moratorium on negotiations and a review of the entire GATS process is essential. No response in relation to the GATS can overlook these concerns, which include the facts that:

- GATS has been developed by and for business interests only;
- GATS will allow the WTO to dictate domestic regulation;
- GATS could promote the transfer of public resources into private hands; and
- GATS is extremely broad in scope.

GATS has been developed by and for business interests only

GATS negotiations have been initiated and promoted by those transnational service providers that stand to gain the most by the opening up of new service markets abroad and the removal of domestic regulatory hurdles that they consider impede their trade (regardless of their purpose). In our experience, however, other key concerns have been virtually – and wrongly - excluded from the entire process, by both the UK and other governments. It is all too evident that the potential impact of GATS on people, their local economies and their environment has received scant attention so far. Given that GATS could even erode the democratic process in the UK (through its impacts on domestic regulation and planning processes, for example – see below); and

disadvantage small and medium-sized service providers facing competition from incoming and larger service providers, this situation needs to be reversed. The UK Government's response to this consultation process should be the first step.

Corporate Interests Past

As noted by Corporate Europe Observatory (CEO), the very existence of GATS is the result of an intense drive by corporate special interest groups. The CEO publication *Behind GATS2000: Corporate Power at Work* notes, "...the 1995 GATS agreement was the result of a sustained lobby campaign by the US Coalition of Service Industries, led by large US banks and insurance companies."ⁱ CEO goes on to reveal that this US-based corporate lobby group worked symbiotically with the US Government to put liberalisation of services on the international trade agenda for the first time. They also worked intensively to gain support in Washington, "in return for privileged access to the trade policy-making process through the formal Industry Sectoral Advisory Committee on Services."

The UK Government's motive also appears to be to support business, potentially at the expense of people and their environment. The original 1998 Department of Trade and Industry (DTI) consultation document *Liberalising trade in services* demonstrated its intended primary audience through its choice of questions, which included the following:

- Which are, or should be, your most important markets?
- What are the regulatory obstacles you face to doing business there?
- How do you get round those obstacles (if you do)? and,
- How could your business be more profitable as a result of further liberalisation?

These questions obviously garnered a pro-liberalisation response from those service providers looking for new markets abroad.

Corporate Interests Present

The European Commission clearly confirms this approach to GATS and corporate interests with its statement that, "*The GATS is not just something that exists between Governments. It is first and foremost an instrument for the benefit of business.*"ⁱⁱ

CEO also points out that:

*"In many countries, similar services industry lobby groups have been set up to influence the current GATS2000 negotiations. The US Coalition of Service Industries and the European Service Forum work in close alliance with government negotiators, helping them to prepare GATS negotiating strategies and priorities."*ⁱⁱⁱ

They go on to point out that this means, "GATS critics' warnings that the GATS negotiations comprise a corporate deregulatory agenda that threatens to undermine democratic governments' ability to regulate" are confirmed.

This corporate focus is reflected in the current consultation document. It poses many questions on *how* further liberalisation should be carried out, but does question the actual value of such liberalisation. Baroness Symons simply follows the Government's long-held but unproven belief that, *"liberalisation of trade in services can benefit all countries, including developing countries. Progressive, properly managed liberalisation can stimulate economic growth and help reduce poverty"*. However, the GATS' implications are likely to be extraordinarily complex, with negative impacts on equality, democracy, local economic development and the environment to be taken into account. No such assertion can be made without a review.

Corporate Interests Future

GATS is about progressive liberalisation. There may be a number of specific requests on the table at the moment, but to consider these as the be all and end all of GATS would be short-sighted. It is already clear that corporate service providers are looking to future rounds for even deeper liberalisation, as the following quote, from the European Services Forum Second Position Paper on Public Procurement in Services of 25 November 2002 states plainly:

*"ESF is pleased to note that, in the framework of the current GATS negotiations, access to foreign markets will likely increase for the services sectors through the countries schedules of commitments. However, it is clear that for these sectors only a part of foreign markets will be open if nothing is done to allow them to compete with domestic companies on government procurement.....To get the support of the whole WTO membership ESF is conscious that a multilateral framework of rules would likely need to be rather general and set on a set of minimum rules. **Although clearly favouring a more far-reaching Agreement, ESF might go along this rather soft route, as a first step in the process. A revision of the set of rules should be opened at the next round of Services negotiations.**"* [emphasis ours]
[NB. Listed supporters of this paper include Barclays, BT, IBM, KPMG, and Marks and Spencer]

GATS will allow the WTO to dictate domestic regulation

GATS has the potential to reach much further into the UK's domestic policy making space than other WTO agreements, in part because domestic regulations are *the* trade 'barriers' targeted rather than border controls (which don't apply to services in the same way as they do to goods). Because of the GATS' corporate focus, the risk then is that those domestic regulations and standards that protect communities and their environment will be sacrificed to benefit service exporters and economic growth in general (possibly even to the extent that official regulators could find themselves over-ruled by the WTO). But these regulations and standards have been hard fought for over the years and have very real purposes. They cannot simply be abandoned.

Necessity tests

Key to all this is the GATS' existing Article VI on Domestic Regulation, which states that:

“With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services.... [disciplines shall be developed that are]... (a) based on objective and transparent criteria... (b) not more burdensome than necessary to ensure the quality of the service; (c) in the case of licensing procedures, not in themselves a restriction on the supply of the service.”

This effectively mandates the WTO's Council on Trade in Services to develop mechanisms that will allow the WTO jurisdiction over what is and what is not 'more burdensome than necessary', both nationally and at the level of local authorities.

This mandate is being taken forward by a Working Party on Domestic Regulation, but there seems to be virtually no information available about this secretive body's activities (other, in fact, than that given by the DTI in its consultation paper on pages 54 and 55). Here, very importantly, the Government states that, *“It is an open question whether Members will agree, if they accept that disciplines are necessary, that they should apply across all sectors of only in sectors committed.”* (p54) This is critical. It is not acceptable to have rules on domestic regulation that apply to every single domestic service sector even if that sector has not been specifically selected for inclusion in the GATS negotiations.

The European Union had already experienced the WTO's necessity tests in action, when banning imports of hormone-treated beef from the United States, which used the following necessity test, contained in the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) as the basis for a successful challenge:

“Members shall ensure that any sanitary or phytosanitary measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles and is not maintained without sufficient scientific evidence, except as provided for in paragraph 7 of Article 5.”^{iv}

An important principle of sustainable development, that the WTO's necessity tests effectively overrule, is the precautionary principle. This asserts that when an activity raises threats of harm to human health, or the environment, precautionary measures should be taken even if some cause and effect relationships are not fully established scientifically.

Friends of the Earth believes that the development of mechanisms to implement the GATS necessity test will open the door to challenges to a huge array of (and possibly all) domestic regulations in the UK and elsewhere,

national and local, economic or environmental. This issue arises in many of the sectors considered below: we believe, for example, that policies designed to ensure local control over planning, regulate waste disposal, maintain or introduce maritime safety standards, promote and encourage the use of public transport and conserve energy are all at risk. This is a key reason why the GATS negotiations need to be halted and reviewed.

In this light, it is also important to note that the Government's statement that, "*The aim of the GATS is not to undo WTO Members' ability to regulate services,*" (Para 6.19) is almost completely contradicted by the rest of the paragraph, which outlines the Government's intention to negotiate the reduction or removal of regulatory barriers to trade. Even the WTO Secretariat concedes that promoting trade expansion and protecting the regulatory rights of Governments are "*two potentially conflicting priorities*".^v Corporate and governmental aims often differ. While a company may not benefit from investing money into research for improvements in the quality of drinking water, for example, or for switching its service provision to a more environmentally sound option, governments take (or should take) on board wider considerations such as the health of the nation and protection of the environment.^{vi} Yet GATS constitutes a move to subordinate social and environmental aims to those of business and this priority is clearly set out in 6.19.

In short, Friends of the Earth is extremely concerned that the ability of Government to regulate for the public or environmental good is essentially being given away.

GATS could promote the transfer of public resources into private hands

There is without doubt legal uncertainty concerning the scope of the current GATS Agreement in terms of whether it covers public services or not. Article I.3 (ii) c of GATS states that, "*'a service supplied in the exercise of governmental authority' means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.*" The Government has stated that this does not pose a threat to public services, but Friends of the Earth believes it may well do so, with a range of consequences including loss of universal access; and access to public funding being made a 'right' for private operations, etc (particularly in relation to funding for research and development and of publicly owned land, for example).

We would also argue that someone in Government must share this view. Why else the statement on p19 of the consultation document that, "*The Government's position in relation to the GATS negotiations is therefore likely to be heavily influenced by the strong public sector involvement in R&D. We will not want to take commitments than [sic] could call into question our continuing ability to fund UK R&D institutions as at present.*" In other words, there is a threat to public funding and if there is a threat to R&D there must surely be a similar threat to all other sectors that are publicly funded and owned.

Ditto, the European Union as a whole. If there is no threat to public services, why does the EU already have a 'horizontal limitation' that states, "*In all EC Member States, services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators*" - a limitation, furthermore, that has been requested to be removed?

In short, there *is* a general risk of public funds – taxes, in other words – being used to fund private service providers, who may not provide the service required (see rail privatisation, below, for example) and who will almost certainly reap a profit. Furthermore, the GATS will "lock in" this process, meaning that tax payers, most of whom are currently unaware of the GATS process and its implications, may not be able to reverse the process through the democratic process if and when they do object.

Importantly, the EU also states in an explanatory note that:

"Public utilities exist in sectors such as related scientific and technical consulting services, R&D services on social sciences and humanities, technical testing and analysis services, environmental services, health services, transport services and services auxiliary to all modes of transport. Exclusive rights on such services are often granted to private operators, for instance operators with concessions from public authorities, subject to specific service obligations. Given that public utilities often also exist at the sub-central level, detailed and exhaustive sector-specific scheduling is not practical."

Are the EU and UK about to change their opinion on this?

GATS is extremely broad in scope

The GATS cover 150 or more service sectors. While it is true that governments are technically free to negotiate on or exempt any of these sectors, the GATS also commits governments to "*progressively higher levels of liberalization of trade in services through successive rounds of multilateral negotiations*".^{vii} In other words, what is not on the table now is expected to be placed on it at some time in the future.

In addition, the 'horizontal rules' (on, for example, subsidies and domestic regulation) may eventually cover *all* service sectors, not just those included for liberalisation (see domestic regulation above). Furthermore, while Governments formally retain the right to regulate, all regulations must be stated for all sectors up-front; the right to regulate is then effectively lost. Changing regulatory mechanisms to adapt to altered economic, social or environmental circumstances will face either the substantial hurdle of agreeing WTO acceptance and/or have to be compensated for 'loss'. As can be seen below (rail privatisation in the UK), accurately predicting the degree or type of regulation necessary to avoid unwanted effects of the market system has not always occurred. Regulation often follows *after* the

emergence of new technologies or societal trends; or after a crisis (see below in relation to maritime safety standards and the sinking of the *Prestige*, for example).

It is perhaps the very breadth of the GATS that is the issue. If voters and employees in all the relevant areas were really aware of the scope of the current GATS negotiations they would presumably have a great deal to say about it.

Yet GATS remains a mystery to most. A moratorium and review is absolutely essential.

SECTORAL CONCERNS

This section consists of comments in relation to the specific sectors listed by the Government in its consultation document *Liberalising Trade in Services: a new consultation on the World Trade Organisation GATS negotiations*. However, Friends of the Earth is also concerned that negotiations taking place in the GATS Working Group on Domestic Regulatory Disciplines (p54 of the DTI's consultation document) are also likely to have a significant impact on all sectors, including through restrictions on local authority autonomy. These comments therefore take such concerns into account.

1 Education and Research

It seems simplest to consider the potential impacts of the GATS negotiations on education and research under one heading. This section does, however, contain comments that relate to research and development in general (p18), education services (p 28) and agriculture.

The following requests have been made of the EC/UK:

In R&D:

Summary of requests made to EC / UK

- Take full market access and national treatment commitments in relation to R&D services in natural sciences, social sciences and humanities, and interdisciplinary R&D services.

In Education:

Summary of requests made to EC / UK

- Take full market access and national treatment commitments, where not already committed, in relation to:
 - ⇒ higher education;
 - ⇒ adult education;
- ⇒ “other” education services (including language training testing/examination services; and education agency services).
- Ensure transparency of regulations necessary for maintaining the quality of education and protection of consumers.

Research and Development

A key concern here is already remarked upon by the Government by stating, “we will not want to take commitments that could call into question our ability to fund UK R&D institutions as at present” (p19). Avoiding such commitments is critical. So too is the avoidance of any horizontal rules on subsidies that might have a similar impact.

Without public funding, there is a risk that the trend already begun, whereby research becomes increasingly market driven in focus and confined to profitable areas, will intensify. This trend discourages investment in research that may be highly beneficial for people and their environment, but has a low rate of return, and it reduces funding available for other research areas. Furthermore, leaving the publication of research in the hands of industry can be problematic – tobacco companies, for example, suppressed internal research into the harmful impacts of smoking on human health for many years before the release of publicly-funded research forced them to concede.

Overall, corporate funding of research has the potential to distort the range of areas studied, methodologies, and fundamentally, the conclusions reached. This would further weaken attempts at independent research. There are unfortunately already examples of particular university research posts in the UK being funded by private corporations:

- Cambridge University has top academic posts sponsored by Shell, BP, ICI, GlaxoSmithKline, PricewaterhouseCoopers and Marks & Spencers; and laboratories sponsored by Rolls-Royce, AT&T, Microsoft and Zeneca; and
- Surrey University has a Chair of In-Flight Catering sponsored by an industrial trade association and the University of Nottingham accepted £3.8 million from British American Tobacco to contribute towards the setting up of an International Centre for Corporate Social Responsibility.^{viii}

The Government’s statement implies that commitments would compromise public funding of R&D (and indeed other public sectors). Friends of the Earth is concerned to further understand the Government’s concerns about public funding, both in respect to R&D and more generally, with further discussion taking place before agreement on any EU position, including on horizontal rules on subsidies.

There should be further clarification on the extent to which commitments would allow government policy to be side-stepped. For example, would any of the proposed GATS rules and/or negotiations prevent investment in renewable energy and disinvestment in nuclear power generation (if companies were to argue that they were competing for the same R&D funds)? Would private domestic and foreign research bodies be entitled to access public funds to finance R&D? What impact might this have on university-based research?

R&D is an especially sensitive sector from a social and environmental point of view, given its potential to generate both academic and technological solutions to current problems. It cannot be subsumed to international trade rules.

Education Services

Friends of the Earth has similar concerns in relation to education services, particularly given uncertainty about the impact of the GATS negotiations on public education services in the UK.

A primary concern must be whether the Government's view that, "...the state school education system is outside the scope of GATS," could really withstand the rigours of negotiations and the views of WTO disputes panel in the future. If not then the application of the GATS Most Favoured Nation principle could lead to a significant reduction in the choice and diversity of education services. Competition for public funds for higher education funds by domestic and foreign commercial higher education companies could lead to a reduction in funds available for courses that are less financially viable or commercially relevant (with obvious impacts on diversity). However, departments and courses that are more expensive to run may nonetheless be important for society, in academic, social, cultural and environmental terms. Academic research and education must not be confined to areas which are cheapest to provide.

A reduction in public funding could also allow private bodies a much greater say in the development of curricula, as higher education institutions turn to alternative funding sources (see R&D above).

Should the Government deliberately or inadvertently open this new market to foreign service providers, possible impacts could include a reduction in standards and the value of qualifications and removal of state funding for universities, with subsequent changes to funding and fee structures (to cover costs plus profits). This would mean that access to university would become more dependent upon financial, as opposed to intellectual, capacity.

Agricultural Research

Friends of the Earth believes that the current requests could also impact on agricultural research. Public funding for agricultural research and development has already been cut back in the UK in recent years, with major research institutions being forced to close down as a result. For instance,

Horticultural Research International is under threat and the Institute of Arable Crop Research in Ashton, which pioneered short rotation coppicing, is closing. Please refer to the previous section for our comments on the negative effects of GATS on R&D which could well exacerbate these problems (and to following sections on agriculture services).

2 Agriculture and Forestry Services

The following requests have been made of the EC/UK (see Other Business Services (p19)):

Summary of requests made to EC / UK

- | | |
|--|---|
| <ul style="list-style-type: none"> • Take full or further market access and national treatment commitments, where not already committed, in relation to: <ul style="list-style-type: none"> ⇒ real estate services; ⇒ rental/leasing services without operators particularly in relation to ships and aircraft; ⇒ advertising services; ⇒ management consulting services; ⇒ technical testing and analysis services; ⇒ services connected with agriculture, hunting, forestry and fishing; | <ul style="list-style-type: none"> ⇒ services incidental to manufacturing and to energy distribution; ⇒ maintenance and repair of equipment, to extent not already committed; ⇒ photographic, printing and packaging services, especially cross-border; ⇒ credit reporting and collection agency services; ⇒ interior and specialty design services; ⇒ telephone answering, duplicating, mailing list compilation and mailing services. |
|--|---|

Agriculture

(see above for agricultural research)

The advisory services sector, previously provided by the Government to farmers for free, is now fully privatised. The independence and quality of this service is now questionable for two reasons:

- many of the consultants providing the service also receive commissions for selling agricultural pesticides and herbicides; and
- the workloads covered by advisors can be up to 24 times those previously handled.

With regard to developing sustainable agriculture in the UK, Friends of the Earth is concerned that if the Government wished to increase the number of organic or other sustainable farms and farming practices, the employment of specialists to advise farmers on conversion or good practice would be considered a subsidy under GATS and that either those funds or equivalent funding would have to be channelled to private consultancies advocating intensive farming. This could obviously all but rule out such programmes. Again, the UK Government must not make commitments that have the potential to compromise public funding in such areas.

Forestry

That GATS could threaten state-owned woodland, nature reserves, parks and public footpaths is of considerable concern. Friends of the Earth is of the view that commitments in this area could leave the UK in a position where it is required to match public funding by providing equal levels of funding to the private sector or that state funding for public areas could simply evaporate in the face of demands for access to those funds from the private sector.

One consequence of such a development could be charging by private corporations for access to previously publicly-accessible areas such as bridleways and parks, thereby restricting access to the countryside as a preserve of the affluent. This would have particular impact on poorer members of society who make use of the countryside because they cannot afford other recreation.

Furthermore making forestry profitable often entails the creation of a production-focussed monoculture which leads to decreased biodiversity and habitat loss.

More intensive commercialisation of these areas with retail and food outlets is another potential outcome, with obvious negative impact on natural areas.

3 Planning

The following requests have been made of the EC/UK (see under Distribution Services (p27)):

Summary of requests made to EC / UK

- Extend existing market access and national treatment commitments to cover cross-border services, particularly in retail (notably food), and other modes where not fully committed (eg wholesale, retail, franchising and commission agents services).
- Relax restrictions on store hours.
- Take an additional commitment under Article XVIII to provide transparency in rules and procedures relating to zoning and providing opportunity for prior meetings between service suppliers and regulatory authorities / local Councils.

Friends of the Earth is also concerned that horizontal rules on domestic regulation could have a particularly negative impact on the UK's planning regulations (especially in relation to economics needs testing, see below). The fact that specific requests have been made would tend to support this view.

As can be seen above, distribution services cover wholesale and retail services. There are specific requests to extend market access in relation to, *inter alia*, wholesale and retail franchising, relaxing restrictions on store hours, and making provisions for increased transparency, including in relation to potential prior meetings with service providers. In short, if the UK were to take commitments in these areas, there could well be highly significant consequences for both local and national control over planning in relation to out-of-town development (as identified in the consultation document itself).

Friends of the Earth also believes that current negotiations could prevent the use of economic needs tests (ENTs), which are used to calculate the impact of a proposed retail development on the surrounding shops and community. These impact assessments are of particular importance when considering proposals for supermarkets and other superstores, which can have a massive impact on existing local traders. Specifically, Planning Policy Guidance No 6 (PPG6) currently mandates a range of considerations including impacts on town centres and local retailers. Friends of the Earth is concerned that the current GATS negotiations could require revisions to PPG6 in order to remove those elements that could be construed as requiring an economic needs test that could disadvantage large incoming retailers.

The EU's consultation document (*WTO Members' requests to the EC and its member states for improved access for services*) reveals that other European countries, namely Belgium, Denmark, France, Italy and Portugal have all already felt it necessary, within GATS, to specifically reserve the right to use ENTs; and that they could now face challenges. Why the UK has not also decided to protect retail impact assessments is not clear and raises the question of whether the Government actually wants to protect the current planning system.

There is also a question concerning whether the current planning system in general will fall foul of the WTO's transparency requirements. In particular, the US has identified a number of obstacles to trade in the distribution sector that it wishes to see removed (US Negotiating Proposal on Distribution Services, at <http://www.ustr.gov/sectors/services/docsvcs.shtml>), all of which, given the potential vulnerability around transparency, could be applied to the planning system, including:

- prohibition on size and/or location of stores and other facilities without an opportunity to establish such facilities under prescribed condition;
- lack of transparency of domestic laws and regulations and fairness of administration, including lack of pre-determined, objective criteria for licensing requirements;
- lack of readily available information on zoning and lack of an opportunity for service suppliers to meet with local officials and community representatives to discuss location of facilities;
- discriminatory treatment with respect to size, configuration, and/or location of terminals, warehouses, and other facilities and denial of authorization to such facilities under prescribed condition; and
- discriminatory treatment with respect to the scope of business and transportation licenses that may be required.

In particular, a commitment on transparency, as requested (see above), could lead to a substantial change in planning processes in the UK. One way governments increase transparency is by removing or reducing official discretion. In the case of the UK planning system this is currently substantial. As a result, WTO transparency requirements (including a consistency requirement) could lead to a more codified planning system, based, for

example, on the type of laws in use in the US, where areas are identified for a particular use but there is no attempt made to control the type of building. This is very much a free market model of town planning, but at odds with the model more commonly found in Europe.

There are clear indications that this is indeed the direction in which at least the Treasury would like to move. The Treasury regards planning as essentially anti-competitive and has pushed for and got new planning zones where business will not need to seek planning permission. They have made it clear that they want up to 2,000 business planning zones in England, which equates to around three per district council.

Any further commitments under GATS (through requests or rules on domestic regulation) are likely to have significant impacts on the UK's relatively sophisticated planning system, focussed as it is on democratic, local control of decision-making and ensuring that private interests seek the State's permission for development.

In general, however, there seems to be little awareness of the potential impacts of GATS on the planning system. The UK Government must uphold the current system by avoiding making any commitments in relation to planning.

4 Environmental services

The following requests have been made of the EC/UK (p 30)

Summary of requests made to EC / UK

- | | |
|--|--|
| <ul style="list-style-type: none">• Extend existing market access and national treatment commitments, notably in relation to noise and vibration abatement services. | <ul style="list-style-type: none">• Adopt classification proposed by the EC and take full market access and national treatment commitments in relation to services not listed in the current WTO classification, notably water collection, purification and distribution services. |
|--|--|

Planning, regulation and enforcement

Friends of the Earth is concerned that the impact of GATS on planning may also have a significant negative impact on the regulation and location of environmental services, including waste disposal sites and incinerators.

It is possible that GATS could:

- influence the power and regulation of the wording of national legislation regulating environmental protection at the local level (through GATS Article VI);

- impact on the direct provision of environmental services by local government through opening the market to overseas service suppliers; and
- provide the basis for challenges to the consistency of implementation of environmental protection services throughout the UK (as described when discussing planning and GATS transparency provisions above).

The UK Government needs to confirm that it intends to protect the ability of both the national and local government to decide on and implement environmental protection services. However, Friends of the Earth is concerned that this will not be a priority in forthcoming negotiations given the following statement from a 1998 consultation paper, in which the DTI commented that:

“...there are regulations which affect the location or operation of environmental services. These include urban planning restrictions....Where regulations are more burdensome than necessary they can cause excessive increase in the cost of supplying the services and become in themselves barriers to trade.”

Water

Water services have clearly been a sector of considerable interest to one or more countries during the GATS negotiations, and this is clearly reflected in the request above.

Currently there are limitations on the transfer of water in the UK. However further liberalisation in the water industry could result in firms demanding equal access to water sources regardless of the location of their customer base. Friends of the Earth is concerned that this could mean firms such as Anglia Water, that operate in regions where water is less plentiful, pushing to remove these limitations in order to transfer water, from the North of England for example, using the rivers network. This is a very harmful practice that can destroy river eco-systems but the current regulation could be disputed under GATS as trade restrictive. No commitments or horizontal rulings should be agreed to if they might impinge upon this restriction.

There is also an issue of access to water, which has recently been declared a human right by the UN. Currently it is illegal for firms to switch off people's water supplies if they default on their payments; or to force a household to install a water meter. From a business point of view it is unsatisfactory to be forced by regulation to continue to supply a service for which a consumer is unable to pay for. However, the regulation exists to protect poorer families who may default on bills and are also least likely to be able to afford water conservation measures. Friends of the Earth is concerned that this legislation could be challenged under GATS. The Government should avoid any threat to this important social objective and fundamental human right by refusing this request.

In general, is there a conflict between a governmental policy objective of encouraging water conservation and the industry's pursuit of profit by more

customers consuming more of their product? Could government-funded water conservation measures be considered to be trade distorting?

Waste

As things stand at the moment in the UK, local authorities are able to stipulate conditions when accepting companies' bids for waste disposal contracts.

These conditions can include, for example, the number of collections to be undertaken in a given time period, whether it's a kerbside or centre collection scheme and whether the waste goes to landfill or incineration. Friends of the Earth is concerned that such local authority constraints could be undermined, especially through horizontal rules on domestic regulation.

In addition, the UK has had targets set for recycling by EU legislation, but Friends of the Earth is concerned that these targets could themselves be disputed as being trade-distorting by, for example, incinerator companies. Furthermore, might waste disposal companies also claim that if they are performing a high quality waste collection service, the issue of waste disposal should be left to their discretion with the option to choose the least expensive method?

Friends of the Earth is most concerned that the Government retain its ability to legislate in favour of recycling or community composting schemes, while discouraging the building of polluting incinerators which have a negative effect on human health and the environment.

Ambient air

The EU Directive that covers standards for polluting factories states that companies have to use the best available technology. However, this is subject to cost benefit analysis and therefore open to interpretation and challenge.

Friends of the Earth believes there needs to be stronger regulation to control factories emitting pollutants and is concerned that GATS could effectively rule this policy option out for Government.

Remediation

There is no existing regulation on how contaminated land should be cleaned up. The minimal legislation that does cover this area is based on standards necessary to protect human health only. Friends of the Earth would like to see regulation that takes into account protection of the environment and wildlife. If this is not introduced before the sector is opened up under GATS then the Government will be effectively unable to do so afterwards.

5 Maritime transport services

The following requests have been made of the EC/UK (p 38)

Summary of requests made to EC / UK

- Take full market access and national treatment commitments. Specifically:
 - ⇒ in accordance with the model schedule developed during negotiations suspended in 1996, and including international maritime multimodal services;
 - ⇒ in relation to multimodal transport, including maritime auxiliary services such as maritime cargo handling, warehousing and container station and depot services; rail, road and inland waterways freight services;
 - ⇒ in relation to other maritime sub-sectors including rental of vessels with crew and maintenance and repair of vessels.
- Eliminate MFN exemptions, including in relation to national freight cabotage.
- Eliminate subsidies to national flag vessels.
- In the UK:
 - ⇒ eliminate limitations on number of foreign employees in relation to freight forwarding services;
 - ⇒ take additional commitment under Article XVIII in relation to port charges.

Recent events concerning the sunken tanker, *Prestige*, off the coast of Spain serve as an excellent example of how necessary legislation to protect the environment and wildlife are not always in place when required. The fact that GATS threatens to prevent the introduction of exemptions covering new legislation is of great concern.

In relation to the *Prestige*, the effects of the spill have been great. Around 7,000 of Galicia's fishermen and shellfish gatherers have been thrown out of work temporarily by the need for a fishing ban along La Costa de la Muerte. In addition, 15,000 sea birds have been seriously affected by oil contamination. Spain's entire population of breeding pairs of common guillemots has been virtually wiped out. The economic cost of the disaster has been estimated at £27m.

Responsibility for such disasters and the question of who should pay for the damage to the environment and peoples' livelihoods has not been resolved yet. In cases such as that of the *Prestige*, the complex web of ownership and international registration allows companies to evade responsibility, with communities and taxpayers eventually footing the bill (the *Prestige* was registered in the Bahamas, managed in Greece and carried oil for a Swiss company whose ultimate owners were Russian).

In the aftermath of the spill, Spain and France announced their intention to adopt tough new measures to crack down on oil tankers sailing within 200 miles of their coasts. The need to introduce new legislation at short notice often becomes apparent through incidents such as these, since they highlight deficiencies in existing legislation. Our concern is that GATS will in general

prevent the introduction of new necessary legislation, since exemptions will not have been included at the beginning of negotiations to liberalise the relevant sector, as required under GATS.

Furthermore, Friends of the Earth believes there is an urgent need for strict new liability laws for environmental damage to ensure that companies responsible for polluting the environment pay for the repercussions. The legislation should be strong enough to act as an incentive for companies to take preventative measures. This may well mean that such legislation could be considered trade distorting. This in turn means it could be challenged under GATS. The UK Government needs to ensure this does not happen.

Specifically in relation to maritime transport, Friends of the Earth is also concerned that, "*Unreasonable environmental and safety standards (maritime transport)*," has been listed as a specific example of measures to be addressed under the GATS negotiations, by the Working Party on Domestic Regulation.^{ix} This indicates to us that there is a very real possibility that existing as well as any new measures designed to improve maritime safety standards could be challenged under the GATS in the near future.

6 Air transport services

The following requests have been made of the EC/UK (p 40)

Summary of requests made to EC / UK

- Take market access and national treatment commitments in relation to:
 - ⇒ maintenance and repair of aircraft, selling and marketing of air transport services, and computer reservation system services (where not already committed);
 - ⇒ ground handling and airport management services
 - ⇒ passenger and freight transportation;
 - ⇒ rental of aircraft with crew;
 - ⇒ food and beverage serving;
 - ⇒ air operation services;
 - ⇒ cargo handling;
 - ⇒ other supporting services (other than airport and terminal fire fighting services).
- Remove restrictions on distribution through computer reservation services of transport services provided by parent or participating carriers.

Our concerns in this sector are based around the implications for planning, safety, human health, and the environment. Air transport is an incredibly polluting and environmentally destructive mode of travel and the potential impact of GATS on this sector is critical.

Airlines currently have to apply for licences to operate for certain routes and buy landing rights at airports. However, if in negotiating bilateral agreements, the "*UK's overall objective is to achieve fully liberal agreements*," what power will the Government be able to retain in relation to controlling the frequency of

services, the routes to be operated and prices? If this or any future Government chose to curb the expansion in the aviation industry in order to meet its Kyoto Protocol targets, for example, would commitments in this sector enable industry to initiate or encourage a WTO challenge to the UK Government on the grounds of trade distortion?

Friends of the Earth is calling on the UK Government to use policy instruments to encourage travellers onto alternative transport for short to medium length journeys. We are concerned, however, that opening this sector further through the GATS negotiations could lead to increased rather than decreased economic activity in this area and prevent such policy intervention. For example, in order for the sector to be fully open to competitors, there could be a need for increased access to landing rights and licensed routes, with knock-on impacts in terms of the numbers of runways and airports required. With planning regulation under GATS required to be as least trade restrictive as possible, attempts to regulate the size and operation of air transport services could be severely restricted.

Friends of the Earth also believes the Government urgently needs to address the impact of airports in terms of their air and noise pollution. These problems are directly related to passenger numbers, frequency of flights, the type of aircraft used and the mode of transport passengers use to travel to the airport (ie, most people drive instead of using public transport). In short, adequate regulation is not yet in place to protect the environment and human health from the aviation industry. Airports do not currently have environmental limits on their size or capacity. GATS commitments could eliminate the ability of the Government to introduce any new environmental regulation after the sector had been signed up.

As with rail transport services, there is also an issue of the relative priority assigned to safety versus costs for commercial businesses. In the interests of open competition, the vertical flying zone that planes can occupy in the air has been increased globally to allow more flights. Frankfurt airport, for example, has decreased the necessary separation distance between planes both in the air and whilst landing in order to cope with increased numbers of flights. There will be increased pressure on air traffic control services to cope with far busier air spaces. Again, we are concerned that governments could lose their ability to contain and reverse this situation if commitments are made under GATS, either on a sector-specific basis (particularly passenger and freight transportation); or through the development of horizontal rules on domestic regulation.

7 Land transport services

The following requests have been made of the EC/UK (p 41)

Summary of requests made to EC / UK

- Take additional commitments under Article XVIII ensuring regulations are not more trade-restrictive than necessary to meet legitimate policy objectives.

Land transport

- Take full market access and national treatment commitments in relation to road (including road passenger transportation), rail and pipeline transport services, and satellite launching services.
- Eliminate ENTs.
- Fully bind existing regime for road and rail.
- Take additional commitment under Article XVIII in relation to availability of freight services on reasonable and non-discriminatory terms and conditions.

Auxiliary services

- Extend market access and national treatment commitments in relation to cargo handling, storage and warehouse, freight transport agency and other auxiliary services such as freight inspection services, where not already committed.

Freight logistics

- Take market access and national treatment commitments in relation to freight logistics services (see Hong Kong China negotiating proposal in WTO document S/CSS/W/68 – hyperlink in [Annex A](#)).

The EC/UK has been asked to take additional commitments ensuring regulations are not more trade-restrictive than necessary. This is particularly worrying considering the difficulties associated with actually identifying and implementing appropriate regulations in the first place. If they are to be challenged as trade-distorting the problems associated with, for example, rail services could well be compounded.

Furthermore, the requested elimination of economic needs tests (ENTs) could simply prevent the full and proper consideration of the impact of various land transport (ie, road and rail) developments on communities and their environment.

Friends of the Earth is also concerned about the impact that the above requests and/or general negotiations on subsidies could have on the subsidisation of public transport, given a competitive market between transport modes. The automobile industry could, for example, claim that public transport subsidies distort the market and disadvantage them. The Government needs to confirm that it will not agree to any proposals that could possibly prevent the subsidisation of public transport.

Rail privatisation

The UK's experience with the privatisation of rail transport serves as an excellent example of the difficulties associated with privatisation, especially in relation to the identification of necessary regulations and legislation at the time of privatisation and/or liberalisation. With respect to rail transport, Friends of the Earth believes that the above requests (especially the first four bullet

points) could exacerbate an already difficult situation in the UK, for a number of reasons.

Losing the ability to regulate?

Firstly, the Strategic Rail Authority (SRA) has found it necessary to continually adjust the regulatory framework since privatisation. Current franchises are now more strictly controlled. Such changes might be disputed under a GATS regime that included the requests listed above.

More generally, the whole structure of the rail system has had to change dramatically in recent months, with responsibility for the UK's track, signals and stations being removed from the commercial firm Railtrack and handed over to the not-for-profit organisation Network Rail. Again this might not have been possible under GATS. The Government needs to ensure that it does not enter any agreement that limits its ability to introduce new legislation as and when required.

Loss of long-term planning and investment?

There is also a potential threat to long-term planning and investment. For example, in the interests of open competition, the last set of franchises ran for approximately seven-year periods. However, such a short timeframe undermined long-term planning and investment as it is not in a company's interests to plough money into a service that may not generate desired profits within the period of the franchise. Further commitments under the GATS at this point in time could mean that it is not possible to change or reverse relevant policies and legislation.

Lower safety standards?

The level of passenger safety on the railways under private firms has been mediocre at best. Companies aiming to maximise profits are likely to give safety a lower priority than a public sector body. The Southall crash illustrates this point. The official report into the disaster found that:

- reorganisation of the train maintenance depot by GWT had resulted in key safety related activities lapsing and the withdrawal of key safety posts;
- GWT had no commercial incentive to make the necessary changes to the ATP safety system. In the words of GWT executive Richard George, "we could and should have shown greater commitment to the project than we did"; and
- there was a communication breakdown in relaying the details of the faulty AWS safety system due to inadequate procedures introduced by GWT since privatisation.

Fragmentation of the industry following privatisation has been identified as a key issue. Great Western Train Company was charged with manslaughter through gross negligence.^x Health and Safety Commission Chair Bill Callaghan described one of the underlying issues of the disaster as the system breaking down, "*as a result of the fragmentation of the industry.*" Similarly Christian Wolmar, in his book *Broken Rails - how privatisation*

wrecked Britain's railways, argues that the accident almost certainly wouldn't have happened under British Rail. He identifies the loss of a clear decision-making process while British Rail, on the other hand, had a recognised 'pyramid shaped' command structure.

Two years later in 1999, the Paddington crash forced the Government to make changes in rail safety, including stripping Railtrack of some of its safety responsibilities.^{xi}

Most recently, the SRA has admitted to planning to allow the 40-year old slam-door rolling stock to be kept in service beyond its legal safety retirement date of December 2004.^{xii}

It is absolutely clear that passenger safety cannot be tackled adequately if priority is to be given to making regulations the 'least trade restrictive'. The Government must reject this request.

Ever-increasing prices?

A further concern relates to pricing. Regulation covers certain fares (long distance or within London, for example) meaning those prices have remained fairly stable. However, unregulated peak hour fares have increased substantially to allow companies to compensate for loss-making journeys and generate profits for shareholders. In the last four years, for example, Virgin passengers have seen an increase in fares on the West Coast Main Line route to London of between 51% and 89%, while Virgin profits in the last year have trebled.^{xiii} The Rail Passengers' Committee subsequently identified Virgin as one of the worst offenders for "hiking prices and fiddling with ticket reservations" in order to boost profits.

Existing and further regulation covering prices could potentially be challenged under GATS as being trade-distorting if the above requests were agreed to, making it ever more difficult to encourage people out of their cars and onto trains, as promised by John Prescott.

Increased cost and complexity of maintenance?

Roger Ford, an editor of *Modern Railways* magazine, compared the cost of rail maintenance and upgrades under British Rail and post-privatisation. He concluded that the cost of maintaining, enhancing or renewing rail infrastructure was now between two and three times greater than in the days of British Rail. This is the result of poor project management, the lack of real rail experience at the top of Railtrack, the number and complexity of contracting arrangements, increasing use of external consultants and the loss of skilled railway managers from Railtrack following privatisation. An example of this is the West Coast Main Line upgrade, Railtrack's flagship project, which went £9 billion over budget. Despite this, since privatisation, Railtrack has paid out over £700 million in dividends to shareholders. Due to the lock in nature of GATS commitments, such complications would be virtually impossible to adjust or eliminate

Fragmentation and performance?

Post-privatisation fragmentation has also significantly decreased the operation of the rail system including because of the difficulties inherent in integrating 25 or more separate operating companies. Travelling by train in the UK is not particularly reliable due to frequent delays and the cancellation of services. Standards of station facilities, information provision, access and compensation differ widely depending on where you are on the network. These considerable problems are cause for concern not only in rail, but in many (if not most) service areas. GATS focus on continual privatisation (in practice) and liberalisation of service areas combined with a focus on removing trade-distorting health, safety and environmental regulations gives great cause for concern.

8 Energy services

The following requests have been made of the EC/UK (p 43)

Summary of requests made to EC / UK

- | | |
|--|--|
| <ul style="list-style-type: none">• Bind existing national legislation currently in force and covering all energy related sectors, except nuclear.• Full market access and national treatment commitments, where not already committed, in relation to:<ul style="list-style-type: none">⇒ exploration and development services, including services incidental to mining; | <ul style="list-style-type: none">⇒ services incidental to energy distribution;⇒ energy marketing services;⇒ other services important to energy, including engineering, construction, environmental, management consulting, facilities management, financial, maintenance and repair, computer and related services. |
|--|--|

The current requests listed include “*exploration and development services*” and related “*environmental*” services, both of which would indicate that services related to renewable energy are being targeted for full market access and national treatment commitments. Given Saudi Arabia’s recent paper to the WTO’s Committee on Trade and Environment (*Energy taxation, subsidies and incentives in OECD countries and their economic and trade implications on developing countries, in particular developing oil producing and exporting countries: submission by Saudi Arabia, WT/CTE/W/215, TN/TE/W/9, 17 September 2002*), Friends of the Earth is concerned that there is indeed potential for current policies specifically designed to promote renewable energies to be targeted by other countries, including through the GATS.

For example, the EU has policies aimed at promoting and developing renewable forms of energy that include preferential grid access and guaranteed shares of supply. Similarly, the EU has also committed to increasing financial support for renewable projects. This has already been challenged by Saudi Arabia, who stated that, “*financial supports are given at the expense of other energy forms and are discriminatory in nature*”.^{xiv}

Currently, Government has the ability to subsidise and tax energy production and use. This means cleaner energy sources such as wind, solar, and wave can be encouraged, while polluting and radioactive energy sources like nuclear, oil and coal can be discouraged. It is not clear whether this type of discrimination would be trade-distorting under GATS (including through the development of rules on domestic regulation), but again the Saudi Arabian paper calls for the removal of “*existing OECD taxation structures*”.

A further issue raised by the Saudi Arabian objections is that of a government’s ability to encourage reduced end-consumption by consumers.

Their paper states:

“A major issue is that many of the policies and measures suggested by the EU such as energy taxes and the use of optimal technology are aimed at reducing domestic energy use, rather than encouraging potential investors to invest in less-costly energy efficient projects in developing countries”.

While Friends of the Earth considers both reduced domestic energy use and investment in energy efficient projects desirable, we are concerned that the Government should retain the power to set national policy objectives focused on reducing overall domestic energy consumption. As the Saudi Government notes, “*there are a number of areas in which countries pursuing environmental objectives (such as climate change policy) may contravene their WTO obligations*”. Friends of the Earth’s concern is that these will become unacceptable under GATS and therefore effectively remove the power of government to legislate and regulate.

Without Government intervention, there is no financial incentive for companies to invest in cleaner technology or in a more environmentally-sound generating source. There is no indication that GATS will contain any measures designed to prevent the plundering of finite natural resources or the environment in which those resources are located. Coal, for example, is a relatively cheap, flexible fuel and output can be altered according to demand. In commercial terms it is therefore very attractive, regardless of its environmental impact. If the UK is to meet its Kyoto targets, the Government urgently needs to regulate the energy sector, specifically *to distort the market* (eg, by introducing a cap on CO₂ releases for energy producing plants).

These points were articulated in a recent Energy Advisory Panel report to the DTI regarding the threat to gas and electricity supply. The four threats they identified were:

- the complexity of the electricity and gas balancing systems;
- the present system of competitive markets and infrastructure regulation;
- energy markets not creating sufficient incentive to invest in a new gas and electricity infrastructure; and
- severe weather or infrastructure failure.^{xv}

The above GATS requests combined with Saudi Arabia's stance to-date in the WTO indicate that regulation to prevent climate change could become much more difficult under a renegotiated GATS regime.

Finally, we note that in the summary of requests made to the EC/UK, nuclear energy appears to have been excluded. More information on this is in fact the case would be welcome. This information should be provided through the publication of all negotiating papers.

ⁱ Corporate Europe Observatory (CEO) 'Behind GATS2000: Corporate Power at Work'
www.tni.org/reports/wto/wto4.pdf

ⁱⁱ European Commission website (1998)

ⁱⁱⁱ Corporate Europe Observatory (CEO) 'Behind GATS2000: Corporate Power at Work'
www.tni.org/reports/wto/wto4.pdf

^{iv} Article 2.2 of the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) quoted in Application of the necessity test: issues for consideration 8 October 1999 Informal note by the Secretariat www.wto.org/english/tratop_e/serv_e/serv_reg_secretariatnot_e.htm

^v Application of the necessity test: issues for consideration 8 October 1999 Informal note by the Secretariat http://www.wto.org/english/tratop_e/serv_e/serv_reg_secretariatnot_e.htm

^{vi} See related article Patrick Bond, Multinational Monitor, July/August 2002 – Volume 23 – Number 7&8

^{vii} Preamble to the General Agreement on Trade in Services

^{viii} www.corporatewatch.org.uk/newsletter/issue4/nl4corporate_universities.html#Anchor-49575

^{ix} 18 October 2002, JOB(02)/20/Rev.2, Working Party on Domestic Regulation, Examples of measures to addressed by disciplines under GATS article VI:4, Informal Note by the Secretariat

^x <http://news.bbc.co.uk/1/hi/uk/225869.stm>

^{xi} Guardian Unlimited 24 Feb 2000 www.guardian.co.uk/transport/Story/0,2763,192614,00.html

^{xii} Daily Telegraph 4 December 2002 'Signals at red for a fast-track improvement'

^{xiii} Daily Mail December 7 2002 'Virgin's gravy train'

^{xiv} WTO WT/CTE/W/215 TN/TE/W/9 23 September 2002
Committee on Trade and Environment Special Session

Energy taxation, subsidies and incentives in OECD countries and their economic and trade implications on developing countries, in particular developing oil producing and exporting countries. Submission by Saudi Arabia

^{xv} Independent on Sunday December 8 2002 'Government panel warns of looming energy shortages'