

WTO deal courts controversy with EU courts

The Financial Times has reported a deal signed late last month between the United States and three fellow World Trade Organisation (WTO) nations seeking compensation in the wake of an online gambling dispute has been revealed as less meaningful than was first hoped.

The dispute arose last year after the Americans lost a WTO dispute with Antigua and Barbuda over discriminatory legislation covering online gambling. Instead of complying with WTO requirements, the White House chose to withdraw its commitments covering gambling from treaty obligations, opening it up to compensation claims from fellow WTO member nations.

Canada, Japan and the 27-nation European Union (EU) subsequently reached a deal in December that allegedly made new warehousing, courier and testing service sector concessions as compensation.

However, the Financial Times quotes the Office of the US Trade Representative (USTR) as stating that United States Postal Service has allowed foreign competitors to handle overseas mail for 20 years with this portion of the compensation agreement purely making the practice legally binding. The USTR stated that sensitive sectors such as domestic delivery and storage at ports and airports would remain closed to foreign firms.

“There will be no effect on the terms of competition and no supplier of such delivery services will receive any advantage,” said Susan Schwab, Spokesperson for the USTR. She stated that the compensation deal would not involve ‘any change in US law and practice’.

The EU Trade Commissioner, Peter Mandelson, stated that the

deal gives the sector legal certainty because there would now be binding commitments. But companies on both sides of the Atlantic are not so sure with Dutch operator TNT stating that it business as usual.

“De facto nothing really changes although current affairs are legally better backed through the WTO,” the courier is quoted by the newspaper.