

# GENERAL AGREEMENT ON

RESTRICTED

GPR/56

22 March 1990

# TARIFFS AND TRADE

Special Distribution

Committee on Government Procurement

Original: English

## MODIFICATION OF ENTITY LIST IN ANNEX I TO THE AGREEMENT ON GOVERNMENT PROCUREMENT

### Communication from the United States

The following communication was introduced at the Committee's meeting on 6 October 1989 and further updated in a communication to the secretariat on 12 March 1990.

#### Rectification to Modify the United States' List of Entities

The United States delegation submits the following notification and annex language as modifications of the United States' entity list under Article IX: 5(b). The modifications involve Region 9 of the General Services Administration and the Civil Aeronautics Board. The combined result of the changes in the structure of these entities, as described below, means the United States has maintained a comparable level of coverage as provided for in the Agreement on Government Procurement prior to this modification, and has increased United States' coverage under the Code by US\$ 250 million.

1. General Services Administration: Region 9. The 1979 Agreement on Government Procurement (Code) does not cover Region 9 of the General Services Administration (GSA). In December 1986, however, a decision was made to transfer most of the procurement of Region 9 to other GSA buying regions. The other GSA buying regions are obligated to follow the Code's disciplines. The United States has decided to eliminate Buy American preferences for this transferred procurement. This decision results in an increase in the United States' coverage of US\$ 258.4 million.

In 1986, Region 9 procured US\$ 317 million worth of goods. Stainless steel flatware accounted for US\$ 2.6 million and appliances accounted for US\$ 56 million of that amount. Region 9 appliance procurement has been transferred to the Tools Commodity Centre, which is exempt from United States Code coverage as a result of the Tokyo Round negotiations, and will continue to be non-Code-covered. Stainless steel flatware has been transferred to other regions and will remain as an exception to United States Code coverage. Therefore, the United States will amend its annex to indicate this exception (FSC 7340).

2. Civil Aeronautics Board. As part of the United States deregulation of the transportation industry, in December 1984 Civil Aeronautics Board (CAB) functions were discontinued and some of its personnel were added to the employment roll of the Department of Transportation. Since the CAB was included on the United States list of covered agencies, the United States will modify its annex to the Code to reflect the dissolution of the CAB.

United States statistical reports on Code-covered purchases for 1981-1985 show that CAB only made Code-covered purchases in one year (office equipment in 1981 in the amount of US\$ 834,000).

The GSA reorganization has created a United States credit of US\$ 258.4 million, which the United States will use as compensation for the dissolution of the Civil Aeronautics CAB and during the broadening negotiations.

Text of Amendment to United States Annex

"12. General Services Administration (Purchases by the Tools Commodity Center, the Regional 9 office of San Francisco, California, and purchases of goods falling under Federal Supply Classification (FSC) 7340 entitled Cutlery and Flatware are not included)."