

# Key Recommendations in *The Audiovisual Services Sector in the GATS Negotiations*

By Patrick A. Messerlin, Stephen E. Siwek, and Emmanuel Cocq

Siwek analyzes the specific market access and national treatment commitments made by the United States, Japan, and the European Community (EC) in the audiovisuals under GATS. His recommendations for accelerating success in the audiovisual sector in the GATS are:

- Develop a statistical dataset on content providers and on ownership of media infrastructure facilities, such as multiplex cinemas and broadcast stations. Such a dataset would help quantify the full extent to which non-U.S. stakeholders now benefit from global trade in audiovisual products.
- Develop a process for identifying limits on market access and national treatment and prioritize new commitments from U.S. trading partners.
- Initiate consultations on subsidies in order to assess the level of foreign tax support and to identify emerging subsidies.
- Review MFN exemptions of “indefinite” duration (the GATS contemplates MFN exemptions as temporary measures, but some quarters in the EC and other countries still characterize their audiovisual exemptions to MFN as “indefinite”).
- Develop guidelines for the distribution of audiovisual products over the Internet.

Messerlin and Cocq recommend that EC nations make the following domestic regulatory reforms in order to promote more competitive markets and cultural film output:

- Eliminate broadcast quotas, which encourage low quality films.
- Distinguish between entertainment works and cultural works, eliminating subsidies for the former and allowing them for the latter.
- Redesign the domestic mechanisms aiming to develop culture, in order to encourage patronage of high-quality cultural works, which have been effectively discouraged by the current protectionist policies.

