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## **MEDIA RELEASE February 13 2004**

### **Telstra Privatisation letter in US Free Trade Agreement**

"The government has signed a "side letter" as part of the US Free Trade Agreement that states its intention to privatise the rest of Telstra," Dr Patricia Ranald, research manager of the Public Interest Advocacy Centre and Convenor of the Australian Fair Trade and Investment Network, said today. "We object to this because such decisions should be democratically decided by parliament in Australia, not promised to another government as part of a trade deal."

"The side letter is mentioned in the government's own summary of the telecommunications part of the agreement," said Dr Ranald.

"DFAT negotiators have confirmed that the US requested the letter. It is modelled on a similar letter that the US obtained from the Singapore government in the US Singapore Free Trade Agreement. The **Australian Financial Review** reported on January 13 that the Singapore government's sale of Sing Tel was a commitment in its Free Trade Agreement with the US," explained Dr Ranald.

"The merits of Telstra privatisation are still being publicly debated here," said Dr Ranald. "We know that the government supports privatisation but the Opposition parties do not support it. We do not know what the status of this letter would be in the event of a change of government," she added.

"We are concerned that the letter could be used to 'lock in' a future government to privatisation when it is an issue that should be democratically decided here in Australia. Public policy should not be determined by a trade agreement," said Dr Ranald

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