

3. Israel shall waive all Buy National restrictions with respect to government agency purchases of a contract value of \$50,000 or more which would be subject to the Agreement on Government Procurement at the time of entry into force of this Agreement but for the threshold provided for in Article I (1)(b) of the Agreement on Government Procurement and by the Ministry of Defense subject to exceptions comparable in character and extent to those included in the United States' entity list of the Agreement on Government Procurement with regard to the Department of Defense.

4. In implementing paragraphs 2 and 3 of this Article the Parties shall apply the provisions of the Agreement on Government Procurement.

5. Israel shall relax offset requirements on purchases by government agencies other than the Ministry of Defense.

6. The provisions of this Article with respect to offset requirements and to purchases by government agencies other than Israel's Ministry of Defense and the United States Department of Defense shall be effective one year from the date of entry into force of this Agreement. The provisions of this Article with respect to purchases by Israel's Ministry of Defense and the United States Department of Defense shall be effective one year from the entry into force of this Agreement or one year from the completion by Israel of a list of the exceptions referred to in paragraph 3, whichever is later.

7. The Parties agree to consider promptly further trade liberalizing measures in regard to both government procurement and offset requirements in the context of the Joint Committee established by this Agreement. In particular it is agreed that should the entity coverage of the Agreement on Government Procurement be expanded, priority consideration will be given to expanding this Agreement to apply to those purchases.

ARTICLE 16

[TRADE IN SERVICES]

The Parties recognize the importance of trade in services and the need to maintain an open system of services exports which would minimize restrictions on the flow of services between the two nations. To this end, the Parties agree to develop means for cooperation on trade in services pursuant to the provisions of a Declaration to be made by the Parties.

ARTICLE 17

[JOINT COMMITTEE]

1. A Joint Committee is hereby established to supervise the proper implementation of this Agreement and to review the trade relationship between the Parties.

2. The functions of the Joint Committee shall include, inter alia:

a. reviewing the general functioning of this Agreement;

b. holding consultations with respect to any matter affecting the operation and the interpretation of this Agreement, as provided in Article 18;

c. reviewing the results of this Agreement, the experience gained during its functioning, and the objectives defined therein, and considering ways of improving trade relations between the Parties, including possible improvements in this Agreement. The adoption of any amendments shall be subject to the domestic legal requirements of both Parties;

d. reviewing the Declaration on Trade in Services.

3.

a. The Joint Committee shall be composed of representatives of the Parties and shall be headed by the United States Trade Representative and Israel's Minister of Industry and Trade or their designees.

b. The Joint Committee may establish working groups and delegate its powers to them.

4. Each party shall preside in turn over the Joint Committee, which shall convene at least once a year in regular session in order to review the general functioning of the Agreement. Special meetings of the