

**NOTIFICATION OF REPLIES TO THE QUESTIONNAIRE ON
IMPORT LICENSING PROCEDURES FROM COSTA RICA¹**

Comments and question from the UNITED STATES to COSTA RICA²

Revision

The following communication, dated 15 May 2002, has been received from the Permanent Mission of the United States.

As notified in G/LIC/N/3/CRI/3, Costa Rica allocates the right to a lower tariff rate within TRQs for a number of agricultural products, including rice. This allocation system operates as a non-automatic licensing system within the terms of the WTO Agreement, and Costa Rica has notified its legislation and responded to the questionnaire.

The United States has been a traditional exporter of rice to Costa Rica for the duration of the current system and has found the system difficult to use from its inception. In particular, import permits are not granted on the transparent and predictable system described in Costa Rica's notifications.

Costa Rica has re-monopolized the importation of rice through the National Production Council (CNP), a state entity, in order to control the import quantity and the price of the rice. According to Costa Rica's national law, all import permits must be processed within eight days. In special cases there is an extension of four days.

In this case, it is our information that Costa Rica has not granted import permits since the beginning of the year. In addition, permits initially granted for imports this year have been invalidated, resulting in substantial financial losses to the companies that were attempting to use the market access established by Costa Rica in its WTO commitments both at the time of accession and subsequently in the Uruguay Round. Despite efforts from Washington and by our Embassy in San Jose, the government of Costa Rica has not given a clear explanation for its refusal to issue the import permits for rice.

Please explain why the system outlined in G/LIC/N/3/CRI/3 is not working and how US exporters of rice can make use of the market access negotiated on their behalf with Costa Rica.

¹ G/LIC/N/3/CRI/3.

² See Understanding on Procedures for the Review of Notifications (G/LIC/4).