STANDARDS ACTING AS BARRIERS TO TRADE

Opening Statement by the United States
Delegation on 5 November 1970

Before Working Group 3 gets into detailed discussion of the work at hand, I would like to make a few remarks regarding the interest of my Government and United States industry in the problem of standards and how their application can result in barriers to international trade.

We are especially concerned that, unless early GATT action is taken expeditiously, we may find that current efforts to harmonize standards and certification procedures will result in the erection of trade barriers for non-participants in these harmonization schemes and may result in the compartmentalization of international trade.

I would like to make very clear our view that the GATT should not get into the business of standards making. We believe this should remain the task of such international organizations as the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the World Health Organization (WHO), and the Food and Agriculture Organization (FAO). However, most of these bodies are not concerned principally, or even importantly, with international trade. We believe that the GATT, as an organization built upon a system of trade rules which are accepted by the principal trading nations of the world, is the proper forum for establishment of principles or ground rules with respect to standards to assure that they will promote, rather than hinder, international trade.

Accordingly, we have tabled the proposed elements of a GATT code on standards now before you. This proposal draws upon the report of the June meeting of Working Group 3 in an effort to include ideas of other delegations, as well as our own. Perhaps more of these could be included as we move along in our discussions. It also introduces some new elements that were not considered by that group. The proposal also includes our suggestion for establishment of a GATT Standards Committee to provide a consultative forum for GATT Members who consider that their trade interests are being or might be adversely affected by an international agreement or by a particular country's actions.
At the June meeting, doubts were expressed about the appropriateness of a code because of the differences among countries in government responsibility in the field of standards and more specifically, the apparent inability of the United States and some other countries to comply with requirements of multilateral quality assurance and certifications schemes. Most countries, including the United States, establish compulsory standards at the federal level in the areas of safety and health while applying industrial - or product - standards on a voluntary basis. Though more of a problem probably exists in the product standards area, even here the United States Government plays an active rôle, participating in the work of private standards organizations. The problem is most apparent with regard to multilateral schemes and we recognize that the obligations of such schemes can best be met through an authorized national institution that speaks for both government and private industry. The United States is moving in this direction. I would like to take this opportunity to inform the Working Group of steps being taken in this area by the United States - by industry, government and the Congress.

The American National Standards Institute (ANSI) recently established an Ad Hoc Committee on Government-Industry Relations. This Committee met in New York yesterday to draft a format to define the relationship of government and private industry in the standards area. The objective is establishment of a quasi-public standards institute in the United States. The function of the ANSI Group is the result of endorsement in September 1970 by the ANSI Board of Directors of a recommendation that it is both necessary and desirable that the Federal government participate more actively in standards and particularly at the policy level in ANSI. Included in the ad hoc group membership are:

- Electronic Industries Association (EIA)
- National Electrical Manufacturers Association (NEMA)
- Automobile Manufacturers Association (AMA)
- Business Equipment Manufacturers Association (BEMA)
- American Petroleum Institute (APT)
- American Society of Testing Materials (ASTM)
- American Society of Mechanical Engineers (ASME)
- Society of Automotive Engineers (SAE)

As the members of Working Group 3 may know, ANSI represents virtually all of United States industry concerned with standards. The organization is headed by Frank LaQue, who will take office as President of the International Standards Organization in January 1971.

In October of this year, the Electronic Industries Association (EIA), which represents United States electronic components manufacturers, took an important decision regarding United States participation in multilateral quality assurance and certification schemes. It endorsed recommendations that it is in the best interest of the United States electronic industries to participate in an international certification plan and that a national body composed of government and industry be designated as the mechanism to implement United States participation.
On the federal government side, the matter of the role of government in the field of standardization is being discussed in the Interagency Committee on Standards Policy. This Committee represents all federal agencies concerned with standards and is chaired by Deputy Assistant Secretary of Commerce for Product Standards, Mr. Richard O. Simpson, who is a member of my delegation to Working Group 3. The interagency group is expected to recommend that a national standards institute with federal government participation be established.

Concern has also been expressed by the United States Congress about international standards and government involvement. In a report on trade legislation presently being considered by the legislative bodies, the House of Representatives Committee on Ways and Means stated, and I quote:

"In order for the United States to effectively participate in international harmonization and certification schemes there must be full co-operation and co-ordination between government and industry in standard matters.

"Both government and industry should now take whatever steps are necessary to ensure that United States exports are not denied the opportunities offered by international efforts directed towards standards harmonization and certification. In particular, this will require adequate funding of United States participation in international standards writing and insuring that the United States possesses the institutional facilities necessary to take part in testing and certification arrangements."

To conclude my introductory remarks, I would like to emphasize our view that despite the present lack of wide government participation in national standards bodies in the United States and some other countries, work should advance promptly in the GATT on a code or set of guidelines regarding standards. We realize that our efforts and those of others to improve government participation in standards bodies will take time, but so will development of a code. If the two efforts go along in parallel, time should be saved in the long run. Further, progress on a code could assist in hastening establishment of widened government authority in countries' standards organizations.

We hope that this statement establishes bona fides in proposing a code and that we can now proceed with considering the elements of such a code. We will of course be prepared to discuss in detail the concerns that some countries have over the differences among countries in government responsibility in the field of standards, but we hope that this question can be deferred until after the code itself is considered.

We have tabled a paper that gives our ideas on the elements that might be included in a GATT code on standards. The Working Group might wish to take up this paper and discuss its provisions. Alternatively, we might begin our work by concentrating on the section of the Working Group report that contains the proposals made by various delegations at our meeting in June.