COMMUNICATION FROM THE UNITED STATES

The following communication, dated 5 March 1987, has been received from the delegation of the United States with the request that it be circulated to members of the Group.

Negotiating Group on MTN Agreements and Arrangements

The agreed negotiating plan for this Group calls upon participants to table suggestions indicating the issues that they wish to raise with the aim of improving, clarifying or expanding agreements negotiated in the Tokyo Round. Bearing this in mind, and without prejudice to the possibility of suggesting additional negotiating topics in the future, the U.S. delegation suggests negotiations on the following issues in the context of the indicated agreements.

A. Agreement on Import Licensing Procedures

Negotiation of more operational criteria for the use of Non-Automatic Import Licensing (NAIL). An examination of the link between Non-Automatic Import Licensing and quantitative restrictions would be followed by negotiations aimed at improving the existing Agreement's restrictions on recourse to NAIL systems.

B. Agreement on Technical Barriers to Trade

1. Testing, inspection and type approval. Article 5.2 of the Agreement encourages Signatories to enter into arrangements for the mutual acceptance of test data. The operation of the Standards Code would be greatly improved and expanded through the negotiation of arrangements on the acceptance of foreign-generated test data for particular products on a mutually-agreed basis. Reliance on "type approval", as opposed to case-by-case inspection is a natural element of such an arrangement.

1 These items have already been put forward by the U.S. delegation in the TBT Committee and form part of the Committee's "List of Subjects Related to the Uruguay Round".

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2. **Transparency in bilateral standards agreements.** The operation of the TBT Agreement would be improved through the negotiation and implementation of a requirement that the parties notify other Signatories of any bilateral agreements reached through formal and informal discussions.

3. **Transparency in regional standards activities.** The operation of the TBT Agreement would be improved through the negotiation of a requirement that the Parties to the Agreement ensure that regional standardization bodies of which they are members adopt effective provisions on transparency.

4. **Processes and Production Method (PPM's).** Notwithstanding several years of the Agreement's operation there is still no clear consensus on the Agreement's coverage of PPM's in the same way as standards that describe a product's characteristics. The Code's coverage would be significantly clarified through the negotiation of a consensus interpretation on this point.