GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

TBT/W/139
27 February 1990

Special Distribution

Committee on Technical Barriers to Trade

DRAFT MINUTES OF THE MEETING HELD ON 30 JANUARY 1990

Chairman: Mr. W. Frei (Switzerland)

1. The Committee on Technical Barriers to Trade held its thirty-fourth meeting on 30 January 1990.

2. The agenda of the meeting was as follows:

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A. Election of officers for 1990

3. The Committee elected Mr. W. Frei (Switzerland), Chairman and Mr. P. van de Locht (Netherlands), Vice-Chairman for 1990.

B. Statements on implementation and administration of the Agreement

4. The representative of the United States informed the Committee that her Government would hold a public hearing, open to domestic and foreign interests, to gather information and comments relating to her country's participation in international standards-related activities. She also informed the Committee that the National Institute of Standards and Technology of the US Department of Commerce had recently updated the publication entitled "Directory of US Private Sector Products Certification Programs".

5. The representative of Romania stated that the National Commission for Standards, Quality and Metrology had replaced the General State Inspection for Product Quality Control as from 1 January 1990. A new law, which was now being prepared, would reflect the recent changes in the area of standardization.

C. Languages for exchange of documents

6. The representative of India noted that most Parties had responded positively to his delegation's proposal on languages for exchange of documents (TBT/W/129). It was generally recognized that developing countries did not have an adequate opportunity to make comments on proposed technical regulations or certification systems of interest to them because of the difficulty of obtaining translations of notified documents within the comment period.

7. The representatives of the European Economic Community and Mexico supported the proposal. The representative of Finland, speaking on behalf of the Nordic countries, said that the official languages in the Nordic countries did not correspond to the GATT working languages. They recognized, however, that the developing countries had a legitimate concern in this respect. Even if additional expenses would be incurred they would make every effort to respond positively to the request for translations of notified documents.

8. The representative of New Zealand asked whether Parties could meet the requirement in the proposed Article 11.9 by providing translations of notified documents in any one of the GATT working languages or whether they would have to provide such translations in a specific GATT working language at the request of the developing country. On this point the representative of Mexico asked whether special and differential treatment would enable a developing country that used one of the GATT working languages as its official language to request translation of documents in that language rather than in any of the other GATT working languages. The representative of Finland, speaking on behalf of the Nordic countries, said that they had supported the proposal because it gave the donor Party the choice to provide translations in any of the GATT working languages. If they were required to provide translations in a language specified by the requesting country, they might not respond favourably to the proposal. The representative of India confirmed that the translations could be provided in any of the GATT working languages.

9. The representative of Finland, speaking on behalf of the Nordic countries, said that if the word "notifications" in the text of the proposal remained in plural, it could be interpreted to mean that a developing country could request copies of documents covered by all notifications from a Party. In order to spell out clearly that each request would be related to one specific notification, the proposed text should be amended to read: "provide copies of the documents covered by a specific notification". The representative of India said that he agreed with this amendment.

10. The representative of Japan said that his delegation supported the objective of the proposal. However, it would sometimes be impossible to translate documents in a limited time as the texts of many technical regulations or standards were quite voluminous. A text which read: "Parties shall, if so requested by any Party, provide copies of the documents and/or summaries of documents, where appropriate, in English, French or Spanish" would be more acceptable to his delegation. The representative of India said that his delegation agreed with this suggestion.

11. The representative of Finland, speaking on behalf of the Nordic countries, said that although the translation of documents covered by the notifications created more difficulty for developing countries, developed countries that did not have one of the GATT working languages as their official language also had a legitimate interest in obtaining copies of translated documents. In his view developed country Parties should also benefit from the proposed exchange of translated documents. He suggested that the words "developing country" be deleted in the first line of the proposed text and that the proposed sub-paragraph be placed under Article 10 rather than Article 11.

12. The representative of Brazil reiterated the problems mentioned by his delegation at the last meeting (TBT/M/33, paragraph 10). Since his country did not have a GATT working language as its official language, they would have difficulties in fulfilling the proposed requirements. The requirements in the proposed text should take the form of a recommendation for developing countries.

13. The Committee took note of the statements made and agreed to revert to this proposal at its next meeting.

D. Improving the provisions of the Agreement on transparency

14. The Committee noted that the Nordic delegations wished to postpone the discussion of the proposal on improving the provisions of the Agreement on transparency (TBT/W/120/Rev.1) until the Committee had discussed further the proposal by the European Economic Community on the code of good practice for the preparation, adoption and application of standards (TBT/W/137).

E. Improved transparency in bilateral standards-related agreements

15. The representative of New Zealand said that his authorities supported the proposal by the United States relating to improved transparency in bilateral standards-related agreements (TBT/W/128). Although the standardization organization in his country was not a government body, it appeared to have responsibilities equivalent to those usually exercised by central government bodies in other countries.

16. The representative of Finland, speaking on behalf of the Nordic countries, stated that the Nordic delegation had reconsidered their previous position on the proposal by the United States and they could now

support it. In commenting on the contents of the proposal, he said that the coverage of the proposed notifications should not be limited to bilateral agreements. Furthermore, any unnecessary duplication of notifications would be avoided if only one Party notified on behalf of all other parties to an agreement. The representative of the United States said that a revision to their proposal would take into account the comments made by the Nordic countries (subsequently submitted in document TBT/W/128/Rev.1).

17. The representative of the European Economic Community said that his delegation preferred the Nordic proposal for the exchange of information on standards-related agreements concluded by Parties through the enquiry points (TBT/W/120/Rev.1). They were concerned that the proposal by the United States would increase the imbalance of rights and obligations between different Parties as regards notifications.

18. The Committee took note of the statements made and agreed to revert to this item at its next meeting.

F. Testing, inspection and approval procedures

19. The Committee took note of the revised proposal on testing and inspection submitted by the Nordic countries (TBT/W/126/Rev.1). It was informed that the delegations of the United States and the European Economic Community would submit a revised proposal on product approval procedures and a new proposal relating to conformity assessment procedures, respectively (subsequently submitted in documents TBT/W/127/Rev.1 and TBT/W/138).

G. Accreditation systems

20. The representative of the United States said that improved procedures on systems for the accreditation or approval of testing laboratories, inspection or quality systems registration bodies (document TBT/W/133) would facilitate access to accreditation systems operated by bodies located in other Parties. The representative of the European Economic Community welcomed the proposal to introduce disciplines on accreditation procedures. Accreditation was an important element in the area of conformity assessment that should be brought within the coverage of the Agreement. The representative of New Zealand said that his delegation supported the proposal. The exporters in his country regarded the costly and complex testing and inspection procedures applied in certain countries as real barriers to market access. Any disciplines on accreditation systems in the Agreement would be an effective means of improving access to such markets. The representative of Canada said that the present Agreement did not refer to accreditation procedures, which were widely used in acceptance of imported products The proposal would facilitate the flow of international trade. The representative of Finland, speaking on behalf of the Nordic countries, welcomed the ideas introduced in the proposal. Accreditation of testing laboratories, inspection and quality system registration bodies played an increasingly important rôle in the flow of international trade. The representative of Romania supported the proposal.

21. The representative of Finland, speaking on behalf of the Nordic countries, said that the provisions at present in the Agreement dealt with the treatment of products originating in other Parties. All the other elements of conformity assessment such as testing, inspection, certification and approval procedures were related to the treatment of products. The proposal on accreditation systems addressed the treatment of bodies and systems in other countries. The provisions which were used to address the treatment of products might not be adequate for the treatment of bodies and systems. The language should be further developed in order to make the distinction clear between the procedures treating products and those treating bodies and systems. For example, the provisions relating to urgent problems of safety and health such as those in the proposed paragraph 7.5 of the proposal seemed inappropriate for the treatment of laboratory accreditation or quality system registration.

22. The representative of Brazil said that the proposal should be examined carefully. The Agreement contained rules on the treatment of products. The proposal addressed rules for services which was being discussed in another forum in the context of the Uruguay Round. He asked what the effect of proposed provisions would be on the exports of countries with a small number of testing and inspection bodies. He also said that Article 12.4 should be amended to include a reference to the use of the international guidelines on accreditation systems in developing countries.

23. The representative of Canada said that the disciplines that applied to bodies and systems, operated by those bodies, were distinct from those that applied to treatment of products. The existing accreditation systems mostly dealt with a specified range of products. Accreditation systems in some countries were broadly based. Furthermore, Parties did not have national accreditation systems in all of the areas mentioned in the proposal by the United States. His authorities were concerned that this situation might cause imbalance in the application of the proposed disciplines. Those Parties that did not have accreditation systems would have access to the accreditation systems in other countries. In addition to the disciplines suggested in the proposal, there might be a need to consider a requirement to Parties for the establishment of accreditation systems in their countries. Canada had national accreditation systems for standards writing, testing and certification bodies but the establishment of an accreditation system for quality assurance bodies was still under consideration.

24. The representative of the European Economic Community asked what it would signify for the United States if the provisions suggested in the proposal were made part of the Agreement. The representative of the United States replied that, unlike some other countries, they did not rely on laboratory accreditation system to a great extent in her country. They had a voluntary laboratory accreditation scheme. Although the proposal might seem to call for increased obligations on Parties which had established national accreditation systems, it should be viewed in the context of the expansion of the Agreement in the whole area of conformity assessment.

25. The representative of the European Economic Community noted that the proposed language to amend Article 5.2 was rather flexible compared to the obligations proposed in the rest of the proposal. He asked for clarification on the meaning of the second sentence in this provision.

26. The Committee took note of the statements made and agreed to revert to this item at its next meeting.

H. Certification systems

27. The representative of Canada introduced the proposal on certification systems (TBT/W/135). Since the entry into force of the Agreement, practices relating to conformity assessment in general and certification in particular were applied increasingly on an international scale. The Agreement did not take into account these developments. Several proposals addressed some of the other practices relating to conformity assessment, and the present proposal focused particularly on certification systems. Whereas the administrative procedures used in implementing the certification systems had a potential for restricting trade in certain countries, Article 7 of the Agreement on the application of certification systems did not contain provisions on such procedures. There was a need, therefore, to expand the Agreement in this area. Furthermore, the Agreement had provisions relating to information on the preparation and adoption of proposed certification systems, but there was no requirement to provide information on the processing or on the results of applications for certification of products. The proposal on this point was related to the two proposals by Japan dealing with transparency of the drafting process of technical regulations, standards and certification systems and with transparency of the operation of certification systems by central government bodies (TBT/W/115 and TBT/W/116). The proposal also suggested the improvement of mutual recognition of certification systems. In addition to a certain number of international certification schemes dealing with products, a number of certification guides by international organizations set criteria for the operation of certification bodies. His authorities held the view that mutual recognition of certification systems could be enhanced by requiring Parties to adopt and use international guides for the operation of certification bodies.

28. The representative of Canada continued by saying that their proposal suggested that a single Article be created by combining the present Articles 7 with Articles 8 and 9, which imposed obligations on central government bodies with regard to certification systems operated at the second level, and with Article 5.2, which referred in part to acceptance of certificates. The proposal suggested to change the title of the section of the Agreement beginning with Article 7 to read "assurance of conformity with technical regulations and standards". He recalled that the Committee had already agreed that the term "self-certification" in the Agreement be replaced by the term "declaration of conformity".

29. The Committee took note of this statement and agreed to revert to this item at its next meeting.

I. Code of good practice for the preparation, adoption and application of standards

30. The representative of the European Economic Community noted that the response of Parties to the approach of a code of good practice for non-governmental bodies suggested in the earlier proposal had been generally positive (document TBT/W/127). The revised proposal on the code of good practice for the preparation, adoption and application of standards (TBT/W/137) took into account the suggestions and questions on the earlier version of the proposal. The comments they had received had encouraged them to maintain the broad lines of the proposal. However two important changes had been introduced in the light of the questions put by some Parties. First the revised proposal suggested that all bodies that were active in the area of standardization, whether they were non-governmental, local government or central government bodies, could adhere to the code of good practice. The benefit of this approach would be to avoid the difficulties of making a classification of bodies as public, semi-public or private.

31. The representative of the European Economic Community said that the second change related to the question of administrative burden that might incur on standardization bodies as a result of their adherence to the code of good practice. While aiming to achieve the objective of transparency, the operation of the procedures on exchange of information on standards should be well-defined and uncomplicated. Rather than pursuing the idea of transmission of notices on individual draft standards, the new proposal placed more emphasis on information on work programmes of standardization bodies. Such information would enable an interested party to have prior information on the standardization work of bodies in other Parties relating to products of export interest to them. They would be able to seek further details on the draft standard during the period of public enquiry held by the standardization body. The operation of this mechanism would avoid the multiplication of notifications on individual standards. As most standardization bodies issued annual work programmes and the proposal suggested to update the work programmes once a year. A further simplification in the proposal related to the indication of a system of alphanumeric codes in the work programmes which would enable parties interested in a specific area to seek the text of a specific standard. The alphanumeric code could also indicate the stage of the work on the standard or a reference to the relevant international standards. This system would also allow interested parties to have access to the relevant information without the need to have recourse to costly translations. In addition, the proposal suggested a provision on the special and differential treatment of developing country Parties.

32. The representative of the European Economic Community further said that changes had been suggested in the text of Articles 2, 3 and 4 of the Agreement in view of the proposed inclusion of the code of good practice in the Agreement. For example, Article 2 was amended to take account of the adherence of central government bodies dealing with standardization to the proposed code of good practice. The representative of Canada said that he supported the proposal to extend the application of the code of good

practice to local government and central government bodies. Although the national standards system in his country generally complied with the broad lines of the proposed code, they might be required to introduce some changes in their procedures in order to be able to comply fully with some of its specific provisions. He noted that the proposed articles might create some duplication as regards the levels of obligations imposed on Parties. Whereas the proposal maintained the "best efforts" obligation on Parties for the preparation, adoption and application of technical regulations by local government and non-governmental bodies under Article 3.1, the new Article 4.2 imposed direct obligation on Parties to ensure that their central government bodies complied with the code of good practice and a "best efforts" obligation with respect to compliance by local government and non-governmental bodies. On the other hand, the notification by a Party of the withdrawal or acceptance of a non-governmental body from the code of good practice under the proposed Article 4.3 would imply that the Party in question would no longer have the obligation to use its "best efforts" to ensure that the body in question complied with the substantive provisions of the code of good practice. The representative of the European Economic Community replied that the obligation in Article 4.1 for central government bodies was taken over from the existing provisions of the Agreement. For compliance by other bodies, they had maintained the "best efforts" obligations. If a local government or non-governmental body withdrew from the code, the Party in the territories of which this body was located would still be subject to best efforts obligations to ensure the compliance by other bodies in its territory.

33. In response to a question by the representative of Canada, the representative of the European Economic Community said that the administrative burden for ISONET had been reduced considerably following the consultations they had had with the secretariat of ISO. In terms of the proposed recommendation by the Committee, ISONET would disseminate the information on the work programmes to its members in a regular publication. ISO would not publish in full but would only provide a list of the work programmes that it received. The Parties would thus be informed of the existence of and any updated version of the work programmes. ISONET members which were not Parties to the code would also receive the work programmes. On the basis of the information in the work programmes it would be up to each Party to identify and seek further information on the development of standards. The transmission of voluminous documents through ISONET would thus be avoided. The decentralised character of the proposed mechanism for the exchange of information was in line with the work in ISONET.

34. The observer from the International Standardization Organisation (ISO) stated that the chief objective of ISO was to promote the development of standards in the world with the view to facilitate international exchange of goods and services. This was in line with the objectives of the Agreement on Technical Barriers to Trade and, therefore, the ISO followed the work of the Committee with particular interest. The principal activity of ISO was the preparation of voluntary international standards. However, the harmonization of information policies and practices concerning

standardizing activities was an important ISO task, which the ISO undertook in co-operation with the International Electrotechnical Commission (IEC). Within the limit of their possibilities, they were prepared to lend their assistance to GATT in this field. He went on to say that the world information network of national information centres concerning standards (ISONET) allowed rapid access to information on standards and standardizing activities. ISONET members, usually ISO member committees, acted as enquiry points for the dissemination of information and the identification of pertinent sources of information. At present, the ISONET and GATT enquiry points were the same in twenty-six countries. ISONET had not been unworthy of this rôle since its activities had come to the Committee's attention and further co-operation was envisaged. They had noted with interest the proposal by the European Economic Community which matched the spirit of the ISONET system and allowed the centralized access to the information available in the various national centres at reasonable cost. They welcomed the proposal to extend co-operation with non-governmental bodies for voluntary standardization. The specific proposals appeared to aim at the systematization of the data collection of information available in national standardization committees. The objective would be to survey the available information and identify the body from which it may be obtained. This fell within ISONET's purview. It appeared that all the problems had not yet been resolved for the information to be put into a form easily usable by the parties concerned using a harmonized classification. If the Committee so wished they would be ready to study the practical problems and help to find the best solutions. The governing bodies of ISO had agreed in principle to the consultation of the ISO members on the proposals which were of direct interest to ISO. This work would be undertaken in close consultation with the IEC, with which the ISO formed an observer delegation to the Committee.

35. The Committee took note of the statements made and agreed to revert to this item at its next meeting.

J. Processes and production methods

36. The representative of Finland, speaking on behalf of the Nordic countries, and the observer from Australia supported the proposal by New Zealand to extend the scope of the Agreement to PPMs. The representatives of Brazil, Canada and the United States reiterated their authorities' support for the proposal. The representative of Japan said that his authorities recognized the importance of bringing processes and production methods (PPMs) under the disciplines of the Agreement.

37. The representative of the European Economic Community noted that the PPMs used in the agricultural sector were discussed in the Negotiating Group on Agriculture (NG5). While the Community authorities had not yet taken a definite position on the proposal by New Zealand, his delegation participated in the discussion of the issues relevant to the PPMs in the context of the NG5 and had recently made a submission on sanitary and phytosanitary regulations and measures (MTN.GNG/NG5/W/146) which also related to PPMs. The proposal by New Zealand was a useful and interesting contribution to the work in this forum and merited careful study. He

nevertheless questioned whether the discussion of this subject should be held in two different fora.

38. The representative of Finland, speaking on behalf of the Nordic countries, said that their support for the proposal was subject to any relevant developments in Negotiating Group 5. The representative of the United States considered that the thrust of the proposal by New Zealand was consistent with the position of her delegation relating to sanitary and phytosanitary matters in Negotiating Group 5. The observer from Australia said that, insofar as they were relevant to PPMs, any new disciplines to be negotiated in the Negotiating Group 5 should be consistent with the provisions proposed to be included in the Agreement. The representative of New Zealand said that the objective of the discussions in the present forum was to improve, clarify or expand the provisions of the Agreement on Technical Barriers to Trade, whereas the discussion in the Negotiating Group on Agriculture focused on issues regarding sanitary and phytosanitary regulations and measures. His authorities felt that while there might be some overlap of the work in the two fora, this should not prevent Parties to the Agreement from pursuing the discussion of the subject in the present context and considering the necessary adjustments on the basis of the results of the discussion in NG5 at the appropriate time.

39. The representative of Finland, speaking on behalf of the Nordic countries, asked what were the requirements to the exporting Parties in the provision of the last sentence of the new Article 5.2 bis. The representative of Hong Kong said that the provision in the new Article 5.2 bis which required exporting Parties to disclose all relevant information to importing Parties might cause difficulties to manufacturers and exporters where such information was commercially confidential. The representative of New Zealand replied that it was essential that the exporting Party provided adequate information to the importing Party to demonstrate the equivalency of its PPMs. The proposal established the assumption that the exporting Party should be able to respond to all reasonable requests for relevant information and that it would have access to any facilities necessary to establish the equivalency of the PPMs used. The exporting Party might be able to find some alternative means of assuring the conformity of its PPMs where the information required happened to be confidential. The question of confidentiality of information had not proved a major problem for his authorities. It was not the intention to oblige the exporting Party to go beyond what was necessary to establish the equivalency of its PPMs nor to open up trade secrets or other types of confidential information. For instance, if a standard specified the processing methods within a particular premises to ensure hygiene, interested parties should provide the necessary information for the inspection of the premises. He added that they would consider any suggestions for a more precise language to cover the concerns in this respect. The representative of India said that if a PPM was drafted as a technical specification, there should not be any problem of confidentiality of information because the PPMs used would have the same transparency as the technical specification itself.

40. The representative of Hong Kong asked to what extent the PPMs were used in industrial processes as opposed to agricultural ones, where their use was quite well documented. His authorities would be interested to have an indicative list of the range of industrial PPMs which had the potential of causing trade barriers. The representative of New Zealand said that his country had experience of PPMs-based trade barriers in the area of agricultural exports. An illustrative list of PPMs both in the agricultural and industrial sector was contained in a document which had been submitted earlier by the delegation of the United States (TBT/W/33 and Add.1). Other delegations might be able to provide further examples of PPMs in the industrial area.

41. The observer from Australia asked for clarification on the purpose of including the phrase "insofar as they are necessary to achieve the required characteristics of a product" in the definition of the term PPM in Annex 1.1. In their view this definition might allow the use of a broad range of PPMs. In reply, the representative of New Zealand said that they wished to emphasize that PPMs should be referred to as processes that were necessary to ensure certain legitimate objective of quality in a final product such as its strength, purity or safety. The definition had been drafted in those terms in order to reassure the Parties that the proposal did not attempt to include any kind of processing method. For example, a processing and production method that was required for religious purposes did not have any direct effect on the quality or the final characteristics of a product. His delegation would consider any suggestions for a broader definition of the term.

42. The representative of Finland, speaking on behalf of the Nordic countries, said that the suggested amendment to Article 2.4 which set a hierarchy between the different types of specifications required careful consideration. In general, requirements drafted in terms of product characteristics should be preferred to requirements in terms of PPMs for the following reason: the determination of conformity with product requirements could be made both in the importing country or in the exporting country, whereas the conformity with the PPMs-based requirements could be evaluated only on the site of production which made this type of assessment expensive. The proposed article could state that Parties should use those means for drafting regulations which are the least trade restrictive for reaching the aim of regulation, taking into consideration the costs involved. The traditional field of application of the PPMs-based requirements had been agricultural products. However, there was an increasing tendency to use PPMs in specifications for high-technology products. As the technological development was very rapid in this area, in many cases it was not possible to have regulations based on product specifications as they became outdated soon after they were drafted. The only way to regulate the production of high technology products was by having requirements on quality systems. There were also cases where PPMs were not a preferable but the only possible way to regulate. It was important to have guidance in the Agreement on when and how PPMs should be used. The requirements based on design were the most trade restrictive, therefore the PPMs should come before design in the list of types of

specifications. The amendment to Article 2.4 should be drafted to reflect any possible need for a specific type of regulation.

43. The representative of Canada explained the reason for the establishment of a hierarchy among the types of technical specifications. For some manufacturers or suppliers, the PPMs-based regulations restrained their ability to adopt a more cost-competitive means of producing a product or to achieve targets relating to product quality. Therefore, while recognizing the legitimate reasons for adopting regulations based on PPMs, there should not be any tight restrictions imposed on manufacturers to use specific PPM-based requirements.

44. The representative of the European Economic Community said that the idea of establishing a hierarchy among the types of requirements was not very clear to them. The representative of the United States questioned the implications of the proposed amendment to Article 2.4.

45. The representative of India said that according to the practice of standardization at the national and international level, technical specifications were drafted in terms of characteristics of products rather than in terms of PPMs unless under exceptional circumstances when it was not possible to achieve the purpose of the requirement through product characteristics. The observer from Australia said that the concept of hierarchy should not exclude the possibility of using PPMs to ensure the conformity of imported products.

46. The representative of New Zealand said that the proposal did not call into question the legitimacy of PPMs when used in appropriate circumstances and in particular in circumstances where they were the only method which could be used. Notwithstanding this, it should be acknowledged that a PPM-based requirement could inherently be more trade restrictive than a performance based requirement because it restricted the choice of the technology that a manufacturer could use for a given product. A producer may in fact be compelled to use an inferior or less efficient technology or methodology. This was why his delegation felt that the type of technical specifications that could be used should be subject to a hierarchy. However, the hierarchy principle did not exclude the use of PPMs as a means of assurance of conformity equivalent to a technical specification based on product characteristic. If it was claimed that the PPM used was equivalent to a product standard, it should be possible to demonstrate this equivalency by simply testing the products at the outcome of the manufacturing process.

47. The representative of Japan said that the principle of equivalency suggested in the new Article 5.2 bis was not clear. He gave the following example in order to illustrate the difficulty he saw in accepting this principle. If a country A was exporting cars to country B, both countries had PPMs which prescribed the testing the body of an automobile by a dropping test. Both PPMs had the equivalent objective of safety of drivers in the case of an accident. However, country A had limited landspace and automobiles hardly ever moved at high speed due to traffic congestion whereas country B had a large territory and automobiles usually moved at

high speed. Because of this difference, a dropping test from ten meters high was adequate for PPMs of country A but a dropping test of fifteen meters high was required for PPMs of country B. Country B could not be expected to accept and import such cars as it would be dangerous to drive a car produced in country A in country B which could not withstand a dropping test of more than ten meters high. The representative of New Zealand the equivalency principle should not cause any difficulty in the example given by the representative of Japan. The two countries mentioned in the example had two different levels of standard. The proposal did not require Parties to demonstrate that the test methods in country A with a lower requirement for car safety was equivalent to that used in the importing country B with a higher requirement.

48. The Committee took note of the statements made and agreed to revert to this item at its next meeting.

K. Procedures for dispute settlement

49. The representative of Finland, speaking on behalf of the Nordic countries, introduced the proposal by the Nordic countries on dispute settlement procedures (TBT/W/134), in which they had made an attempt to incorporate relevant elements of the Decision of the CONTRACTING PARTIES OF 13 January 1989 (MTN.TNC/11, pages 24-31) in the existing provisions of the Agreement on dispute settlement. The proposal was of a preliminary nature because the negotiations on the further improvement of the dispute settlement procedures in the Uruguay Round were continuing. The only substantial change related to the procedures for the setting up of a technical expert group. They had noted that the order of the dispute settlement procedures in the present agreement, which foresaw first the establishment of a technical expert group and then a panel, had been impractical. Six months was provided for the work of a technical expert group and then four months for a panel. In practice, disputes could not be settled in less than one year. It would save considerable time if any technical expert group established carried out its work in parallel with the panel. They also considered that panels rather than the Committee should set up the technical expert group because it was sometimes difficult to draw a clear line between technical and non-technical aspects in a specific dispute. This way a panel would deal, from the outset, with all aspects of a dispute. If the panel decided that specific technical problems required advice from experts, then it would be the appropriate body to set up such a technical expert group.

50. The Committee took note of this statement and agreed to revert to this proposal at its next meeting.

L. Derestriction of documents

51. The Chairman drew attention to a list of documents issued in 1989 and which were being proposed for derestriction (TBT/W/136). He invited signatories to give their comments, if any, to the secretariat before 16 March 1990.

M. Date and agenda of the next meeting

52. The Committee agreed to hold its next meeting on 27 February 1990 and tentatively to set 19 March 1990 as the date of its following meeting.

53. The agenda of the next meeting would include the following items:

1. Statements on implementation and administration of the Agreement
2. Languages for exchange of documents
3. Improving the provisions of the Agreement on transparency
4. Improved transparency in bilateral standards-related agreements
5. Conformity assessment procedures
6. Testing and inspection procedures
7. Accreditation systems
8. Certification systems
9. Product approval procedures
10. Code of good practice for the preparation, adoption and application of standards
11. Improved transparency in regional standards activities
12. Processes and production methods
13. Procedures for dispute settlement
14. Other business