

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Sub-Committee on Non-Tariff Barriers

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## TECHNICAL AND ADMINISTRATIVE REGULATIONS THAT HAMPER TRADE

### Note by the United Kingdom Delegation

#### 1. American Society of Mechanical Engineers' code symbol

##### (a) Nature of the non-tariff barrier

In the United States legal responsibility for the inspection and the adoption of standards for boilers and pressure vessels rests with the governments of the individual states. Certain states and local authorities require boilers and pressure vessels used within their jurisdiction to conform to the requirements of the American Society of Mechanical Engineers' (ASME) code, either by reference to the code itself or by promulgation of their own codes in terms identical to the ASME code. The codes generally require the goods to be inspected and certified by an inspector qualified under and licensed by the National Board of Boiler and Pressure Vessels Inspectors, but an additional complication is that some states stipulate that the inspector must be a state employee and not an insurance company inspector, (and in some an insurance company inspector is only accepted if his employing company is authorized to do business in the state). The procedure then is that a licensed inspector, after deciding that the goods conform to the standards required by the code, applies to the chief boiler inspector of the state concerned and the chief inspector, if he is satisfied, asks the ASME to release their seal to the manufacturer for the purpose of marking the goods. Inspection and marking with the seal must be met if the goods are to qualify.

It is the policy of the ASME not to issue seals to any manufacturers outside the United States and Canada. The reasons for this policy are stated to be the need to maintain standards of manufacture and that issue of the seal to foreign manufacturers would devalue the status and meaning of the ASME code in the eyes of the responsible state and local organizations. These reasons are adduced notwithstanding a comparative general acceptance in the United States that United Kingdom boiler and pressure vessel standards are at least as good as the American ones. There is now at least one boiler inspector in the United Kingdom who is qualified under and licensed by the United States National Board of Boiler and Pressure Vessels Inspectors, yet the ASME have refused even to consider the case for issuing their seals to the United Kingdom manufacturers if suitable arrangements were made for approved inspection in the latter country.

It should be noted that although legislation in some of the states provides in theory for exemption from the requirement of ASME stamping, at least one United Kingdom boiler manufacturer tried to obtain exemption from three states but this was refused in each case - even though the goods complied with the requirements of the ASME standards.

(b) Reasons for notifying the non-tariff barrier

It is quite clear, therefore, that the requirement for stamping with the ASME seal and the refusal to issue this seal have a protective effect. It is impossible, in the very nature of this import restriction, to estimate the amount of trade affected but several United Kingdom firms have tried to obtain orders in the United States and have come up against the refusal of the ASME to issue its seal. E.M. Government also wish to point out that boilers and pressure vessels have been the subject of tariff reductions negotiated with the United States Government.

The opinion of H.M. Government that this discrimination against foreign boilers and pressure vessels should be removed has been strengthened by the fact that the American Bureau of Shipping has been able to make extensive arrangements for reliable foreign inspection of products made in other countries for export and use in American ships. These arrangements cover, inter alia, boilers which are manufactured to ASME standards. If it is possible for American shipowners requirements to be met in this way without harm to standards, then it would seem equally possible for state and local governments'. The British organization comparable to ASME, the Associated Offices Technical Committee, has as one of its objectives, the establishment of reciprocal inspection arrangements.

(c) Changes which the United Kingdom wishes to see made

H.M. Government wishes to see this discrimination against foreign boilers and pressure vessels removed in whatever way is appropriate.

2. Interstate Commerce Commission specifications for gas cylinders

(a) Nature of the non-tariff barrier

High pressure gas cylinders for the United States have to conform to Interstate Commerce Commission specifications for Seamless Gas Cylinder, Clauses 78.37-3 of which states: "Inspection by whom and where. (a) By competent and disinterested inspector acceptable to the Bureau of Explosives, chemical analysis and tests, as specified, to be made within the limits of the United States."

(b) Reasons for notifying the non-tariff barrier

As inspection and testing has to be carried out in the United States this puts a ban on foreign products. At least one British firm is known to have been prohibited from exporting to the United States because of this discrimination. A request has been made to the United States authorities for an amendment to the regulations so as to allow inspection in the United Kingdom but so far without result.

H.M. Government wishes to point out that gas cylinders have been the subject of tariff reductions negotiated with the United States Government.

(c) Changes which the United Kingdom wishes to see made

H.M. Government is of the opinion that arrangements should be made for the inspection and testing to be carried out in the United Kingdom.

3. Ban on use of foreign dredges in the United States

(a) Nature of the non-tariff barrier

United States law (46USC-292) prescribes that a foreign built dredge shall not, under penalty of forfeiture, engage in dredging in the United States unless documented as a vessel of the United States. In addition, 46USC11 and 252 restrict documentation of vessels not built within the United States to those intended solely for use in "trade with foreign countries". This means that foreign built dredges cannot be documented and engage in dredging in the United States.

(b) Reasons for notifying the non-tariff barrier

This discrimination completely cuts off trade. It is known to H.M. Government that at least one British firm has had enquiries from Americans interested in buying their dredges but because of the restriction has so far been unsuccessful in obtaining the orders.

(c) Changes which the United Kingdom wishes to see made

H.M. Government would like to see the discrimination against foreign built dredges removed.

4. Technical control regulations for electrical equipment in the Federal Republic of Germany

(a) Nature of the non-tariff barrier

Technical Control Association regulations, as interpreted and administered by the Testing Office of the Federal Physico-Technical Institute and also the German Electrotechnical Association. The equipment concerned comprises all measuring devices, such as positive displacement meters and precise level gauges etc., flame proof electrical equipment, such as switch gear, motors, lighting fittings, etc., electrical terminals for internal earthing and release valves.

(b) Reason for notifying the non-tariff barrier

These regulations will not permit the acceptance of standards which are generally accepted internationally, e.g. the Buxton Certificate for flame-proof equipment; all equipment subject to safety regulations therefore has to be tested and approved. There appeared to be unnecessary delays and difficulties put in the way of obtaining approval certificates.

The essential difficulty in the view of United Kingdom exporters is not that different standards exist in the Federal Republic but that attempts by British manufacturers to export equipment are largely frustrated by unnecessary procedural delays; in effect therefore differences in standards are used as an excuse to delay acceptance of imported equipment to the benefit of the domestic manufacturer.

(c) Changes which the United Kingdom wishes to see made

Amendment of the regulations or their administration so as to avoid unnecessary delays and difficulties in obtaining approval for imported equipment.

5. Weights and measures legislation in France

(a) Nature of the non-tariff barrier

French regulations concerning the construction of gasoline pumps.

(b) Reason for notifying the non-tariff barrier

The specifications to which pumps dispensing gasoline must be built in order to comply with these regulations, particularly those dealing with the separation of air, are cost complicated and applications for approval of foreign built pumps are dealt with in such a way as effectively to prohibit the import of such pumps.

(c) Changes which the United Kingdom wishes to see made

Amendment of the regulations or their administration so as to remove unnecessary delays and difficulties in obtaining approval for imported equipment.