

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.TNC/2

9 February 1987

Special Distribution

Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Second Meeting: 16 and 20 December 1986, 28 January 1987

1. The Trade Negotiations Committee held its second meeting under the Chairmanship of Mr. Arthur Dunkel.

Agenda item I: Group of Negotiations on Goods: Report

2. The Committee was informed by the Chairman of the GNG, the Director-General of GATT, Mr. Arthur Dunkel, of the work of the GNG at its meetings of 27 October, 7, 12, 18 and 21 November, and 5, 9, 11, 16, 18, 19 and 20 December 1986, and 22 and 28 January 1987. As a result of these meetings, the GNG had taken three decisions:

- (i) recommending that the TNC decide to establish a mechanism for the surveillance of standstill and rollback commitments as designated in a text agreed by the GNG;
- (ii) adopting a decision on Negotiating Structure; and
- (iii) adopting Negotiating Plans.

Understandings of the Chairman of the GNG on the Negotiating Plans, Negotiating Structure and chairmanships were recorded in the records of the GNG (MTN.GNG/5). As regards chairmanships of the negotiating groups and of the Surveillance Body, the GNG had requested the Chairman of the CONTRACTING PARTIES, Ambassador Mansur Ahmad of Pakistan, to hold consultations among participants. The Committee was also informed that the GNG had considered requests for observer status from a number of international organizations and had agreed to revert to this matter at a future meeting. The Chairman added that some of these requests also related to observer status in the TNC.

3. The Committee took note of the report of the Chairman of the GNG. The Chairman noted that the TNC would, in due course, have to consider further the question of observers at its meetings.

Agenda item II: Decision on Mechanism for Surveillance of
Standstill and Rollback

4. In submitting the Decision on the Mechanism for Surveillance of Standstill and Rollback to the TNC for adoption in accordance with Section C of the Ministerial Declaration, the Chairman indicated his understanding on three points, as attached to the text of the Decision annexed to this note.

5. The Committee then adopted the Decision on the Mechanism for Surveillance of Standstill and Rollback contained in the annex to this note.

6. The Committee agreed that, following the consultations referred to in paragraph 2 above, a meeting of Heads of Delegations to the TNC, to be held before 9 February, in conjunction with a similar meeting of Heads of Delegations to the GNG, would approve a person to be appointed as Chairman of the Surveillance Body.

Agenda item III: Group of Negotiations on Services: Report

7. The Committee was informed by the Chairman of the GNS, Ambassador Felipe Jaramillo, of the work of the GNS at its meetings of 27 October, 17 November, 12, 17, 19 and 20 December 1986 and 22 and 28 January 1987. As the conclusion of these meetings, the GNS had approved the Programme for the Initial Phase of Negotiations (MTN.GNS/5). In addition, the Group had agreed that the question of technical support would be examined at an early stage in the initial phase of negotiations and that the question of observers would be dealt with in this context. The Group had also agreed that, in future, the records of its meetings should allow a fairly precise rendering of delegations' interventions, without identifying the delegations which had spoken.

8. The Committee took note of the report of the Chairman of the GNS.

Date of next meeting

9. The Committee agreed that the date of its next meeting be determined by the Chairman in consultation with participants, taking into account, inter alia, paragraph 8 of the Decision on the Mechanism for Surveillance of Standstill and Rollback.

ANNEXDECISION ON THE MECHANISM FOR SURVEILLANCE OF STANDSTILL AND ROLLBACKAdopted by Trade Negotiations Committee, 28 January 1987Standstill

1. Any participant may bring to the attention of a Surveillance Body, open to all participants, through the GATT secretariat, any action or measure, taken by itself or another participant, which it believes relevant to the fulfilment of the standstill commitments. Any such notification will be deemed to have been submitted to the Surveillance Body upon its receipt by the secretariat.
2. The secretariat shall circulate promptly to all participants, and in no case later than 10 working days after receipt, a copy of all notifications addressed to the Surveillance Body. When notifications relate to actions by other participants (reverse notifications) the secretariat shall promptly inform the country to which they relate. Any comments¹ and any other relevant factual material received within the above period of 10 working days will be circulated together with the notification. If any comments or further information become available subsequently they will be circulated promptly.
3. The Surveillance Body will examine the relationship between the actions or measures notified and paragraphs (i), (ii) and (iii) of the standstill commitment contained in Section C of Part I of the Ministerial Declaration at its first meeting following the 10 working day period referred to in paragraph 2 above. The Surveillance Body will transmit a record of its proceedings to the next meeting of the TNC. (This record will be transmitted to the GNG for its information.)

Rollback

4. Any participant may bring to the attention of other participants, through the GATT secretariat, measures which it is applying or measures applied by another participant, which it believes should be subject to the rollback commitment. It will be open to any participant to notify to the Surveillance Body any omission by another participant which it believes to be relevant to the fulfilment of the rollback commitment.
5. Participants concerned shall consult in order to arrive at rollback undertakings. Timely notice of such consultations shall be sent to the secretariat for the information of all participants so that any affected participants may also take part in consultations if they so wish. Participants shall notify any undertakings resulting from these consultations to the Surveillance Body.

¹The absence of comments by a country subject to a reverse notification shall not be deemed to constitute an admission that the measure is subject to the standstill commitment.

6. The Surveillance Body shall monitor the implementation of the undertakings resulting from the consultations referred to in paragraph 5 above and report to the TNC. (This report will be transmitted to the GNG for its information.)

7. In order to carry out the functions set out above the Surveillance Body will meet at least three times a year. It may also meet at the request of any participant, in accordance with the usual GATT practices.

8. The TNC will meet at least every six months to carry out, on the basis of the records and reports transmitted to it by the Surveillance Body, a periodic evaluation of the implementation of the standstill and rollback commitments, and of its impact on the process of multilateral trade negotiations and in relation to the interests of individual participants.

STATEMENTS BY TNC CHAIRMAN ON THE MECHANISM FOR
SURVEILLANCE OF STANDSTILL AND ROLLBACK

Chairman's Understanding on the Surveillance Mechanism Concerning Rollback Undertakings

"It is my understanding that participants maintaining measures that may be subject to the rollback commitment shall inform the Surveillance Body by 31 December 1987 of rollback undertakings resulting from the first round of consultations under paragraph 5."

Chairman's Understanding Regarding Paragraph 7 of Surveillance Text

"It is the understanding of the Chairman that the relevant GATT practice is the one followed by the GATT Council. The Council meets at periodic intervals, but if a contracting party considers that a matter cannot wait for the next regular meeting of the Council and requires urgent consideration, it may request a meeting for this purpose. When such requests have been made, they have normally been met, once the Chairman has consulted with interested parties."

Chairman's Understanding Regarding the Date of the First Meeting of the Surveillance Body

"It is the understanding of the Chairman that the first meeting of the Surveillance Body will take place in the week beginning 23 February 1987."