

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Goods (GATT)

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Negotiating Group on Non-Tariff Measures

COMMUNICATION FROM THE UNITED STATES

The following communication has been received from the delegation of the United States, with the request that it be circulated to the members of the Group as an addendum to the communication contained in MTN.GNG/NG2/W/4.

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The United States proposal supports an integrated, item-specific request-offer procedure for tariffs and non-tariff measure negotiations. It suggests that CPs should submit broad-ranging requests for removal of non-tariff measures and tariffs and that once requests have been tabled, the exact modalities for negotiations on these barriers would be determined. This approach allows for consideration of a number of approaches simultaneously and for liberalizing a wide variety of barriers. Theoretical examples of some of these approaches are provided below.

A) Adoption of a Multilateral "Code" Approach on Certain Barriers of Interest to a Number of Parties -- Possible examples of issues which could be addressed in this manner are rules of origin and pre-shipment inspection. Should CPs find that there are extensive requests on either of these issues, it may be desirable to determine at that point whether a code approach might be the best approach to resolve the problems being experienced. This Negotiating Group could then proceed to use techniques developed in the Tokyo Round to design rules and procedures to accomplish this goal.

B) Bilateral Requests and Offers on Tariffs and NTMs -- Many circumstances exist where the reduction or elimination of tariffs will not result in market access because of the continued existence of non-tariff measures, and vice versa. Tariff quotas, tariffs and import bans, tariffs and restrictive licensing or standards often are imposed on individual tariff line items. In cases where direct linkages can be drawn between non-tariff measures and tariff barriers, these barriers should be liberalized together in an integrated negotiation to ensure that the goal of market access is achieved.

C) Trade Offs Between Code Discipline and Bilateral Tariff/NTM Concessions -- This approach offers the possibility for countries to offer concessions on tariffs and/or non-tariff measures in exchange for a CP joining either an existing (MTN) Code or a potential new agreement under the GATT. The Licensing Code is one example where this approach may be useful. If an improved, more substantive Code were developed, but some CPs were not generally interested in acceding, this would provide some incentives to do so.

D) **Bilateral Negotiations on Specific Items which Generally May Be Addressed in Other Negotiating Groups** -- Certain issues which generally are being addressed in a multilateral context may present specific bilateral problems which could be addressed in a request-offer negotiation. For example, a CP may find that a specific type of bilateral standards problems would not be addressed in negotiations to improve the Code on Technical Barriers to Trade. Or, alternatively, a country may find that it faces a standards barrier in gaining access to the market of a country which is not a Code member or is not participating in the Uruguay Round MTN Code discussions. In this case, bilateral requests would supplement the work of other Negotiating Groups.

E) **Traditional Requests and Offers** -- This flexible approach to non-tariff measure negotiations also allows CPs to undertake traditional requests and offers on a single non-tariff measure or tariff, if other barriers do not exist. One example of specific barriers which could be addressed in this manner is quotas.

The Negotiating Group on Non-Tariff Measures has a specific mandate to provide market access by liberalizing non-tariff measures. However, participants should recognize that the work of other negotiating groups likely will affect this Group more than most others. CPs should therefore remain flexible to the idea that issues currently being addressed elsewhere, or assumed to fall within the mandate of other negotiating groups may need to be addressed bilaterally through requests and offers in this Group in later stages of the Uruguay Round.