

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

RESTRICTED

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Negotiating Group on MTN  
Agreements and Arrangements

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COMMUNICATION FROM THE UNITED STATES

The following communication was received by the secretariat on 2 March 1988, with the request that it be circulated to the Negotiating Group on MTN Agreements and Arrangements.

Introduction

The United States proposes that the Agreement on Import Licensing Procedures ("Agreement") be revised to expand on existing elements of the Agreement to include practical means to encourage members to minimize the use of licences, rather than to expand their use. The United States is not proposing negotiation of a new Agreement on licensing.

United States Proposal

The United States envisions use of an approach which would combine a number of elements, using the existing Agreement as a base. Parties should agree to:

- (a) Add clarifying and interpretive language to the Agreement as recommended by the Licensing Committee to ensure greater understanding of its obligations and standards;
- (b) Adopt more specific definitions of licensing to elaborate upon Article 1.1, by building on work underway in the Licensing Committee;
- (c) Undertake commitments to limit overall use of licensing through establishment of limits on the duration and/or trade coverage of licensing schemes and introducing, wherever possible, the principle of degressivity to licensing practices.
- (d) Add specific disciplines on the use of non-automatic licensing. Disciplines should focus in the first instance upon the most discretionary and arbitrary forms of non-automatic licensing, such as those involving administration of zero quotas or other quotas which are administered arbitrarily.
- (e) Add stronger overall transparency, review, oversight and dispute procedures to the Agreement, recognizing that additional disciplines noted above must be administered.