

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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COMMUNICATION FROM THE EUROPEAN COMMUNITIES

The following communication was received by the secretariat on 1 July 1988, with the request that it be circulated to the Negotiating Group on MTN Agreements and Arrangements.

EC PROPOSAL FOR EXTENDING THE MAJOR OBLIGATIONS UNDER THE AGREEMENT ON  
TECHNICAL BARRIERS TO TRADE TO LOCAL GOVERNMENT BODIES

1. In a similar way as for non-governmental bodies, the Agreement, in Articles 3, 6 and 8, imposes the obligation on Parties to take such reasonable measures as may be available to them to ensure that local government bodies comply with a number of provisions relating to the preparation, adoption and application of technical regulations and standards, the determination of conformity with technical regulations and standards, and the operation of certification systems. Again, Article 14.24 allows a Party to invoke the dispute settlement procedures of the Agreement if another Party achieves insufficient results in the above respect, such results being equivalent to those as if the body in question were a Party. Local government bodies are described in point 7 of Annex 1 as governments other than a central government, for instance States, provinces, länder, customs, or municipalities.

2. The idea behind the EEC's proposal is that some local governments of some Parties are more important in economic and trade terms than other Parties to the Agreement. This is true for the EEC as well. However, while at present the latter are subject directly to the full force of the obligations of the Agreement, the former in practice often escape the régime of the Agreement. This situation should be remedied.

3. The EEC is of the opinion that a significant improvement of the Agreement could be obtained by making Parties to a larger extent than at present responsible for the adherence of local government bodies in their territory to the obligations of the Agreement. This could be achieved by obliging Parties to ensure that local government bodies do not violate those obligations. Dispute settlement procedures would be available to restore mutual economic advantage and balance of rights and obligations if a Party did not achieve satisfactory results in this sense.

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4. One element the EEC considers especially important to include is a procedure by which a draft technical regulation of a local government body has to be notified through the Party concerned to other Parties, whenever its technical content is not substantially the same as the technical content of relevant international standards or a previously notified national technical regulation, and the draft technical regulation may have a significant effect on trade of other Parties. Comments in writing and discussion on such notified draft technical regulations should be possible through the Party concerned.