



# WTO Agreement on Technical Barriers To Trade (TBT) **OPPORTUNITIES AND CHALLENGES**

## Today's Discussion

- A general understanding of the WTO Agreement on Technical Barriers to Trade (TBT), and related chapters of regional and bilateral Free Trade Agreements.
- Some discussion of how the obligations create opportunities for us to work with each other; where there are challenges, both with domestic procedures and with WTO procedures.
- How can we work together moving forward to improve information exchange on Good Regulatory Practices and TBT Agreement compliance.



# Office of the U.S. Trade Representative

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- USTR is an agency in the Executive Office of the President.
- USTR has principal responsibility for administering U.S. trade agreements.
  - Monitoring our trading partners' implementation of trade agreements with the United States,
  - Enforcing America's rights under those agreements
  - Negotiating and signing trade agreements that advance the President's trade policy.
- Responsible for coordinating trade policy and negotiations via the Trade Policy Staff Committee Subcommittee on Technical Barriers to Trade
- Co-lead the Industry Trade Advisory Committee on Standards and Technical Barriers to Trade (ITAC 16) with DOC
- Publish an annual report on Technical Barriers to Trade  
<http://www.ustr.gov/sites/default/files/2013%20TBT.pdf>



# The World Trade Organization



- The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations.
- At its heart are the WTO agreements, negotiated and signed by 160 nations and ratified in their parliaments.
- The goal is to help producers of goods and services, exporters, and importers conduct their business.
- The Agreement on Technical Barriers to Trade is accepted by all 160 members.
- Other related WTO Agreements are WTO Agreements on Sanitary and Phytosanitary Measures (SPS) and Government Procurement (plurilateral).



# FTAs

Each countries has Free Trade Agreements

- The United States has free trade agreements (FTAs) in effect with 17 countries.
  - Build on the foundation of the WTO Agreement, with more comprehensive and stronger disciplines than the WTO Agreement.
- Many of our FTAs are bilateral agreements between two governments. (U.S. – Australia FTA, U.S. Chile FTA)
- But some, like the North American Free Trade Agreement and the Dominican Republic-Central America-United States Free Trade Agreement are multilateral.
- Most have chapters on Technical Barriers to Trade (TBT+)
- A current FTA negotiation is the Trans Pacific Partnership (12 parties) and the Transatlantic Trade and Investment Partnership (US- EU)



# The Purpose of the WTO TBT Agreement

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- To prevent unnecessary obstacles to trade.
- To provide transparency in the development and implementation of WTO Member technical regulations.
- Considered to be a “procedural agreement.”
- To use international standards and conformity assessment procedures in technical regulations when possible to fulfill the legitimate objective of regulation.
- Enforces the concepts of National Treatment and Most Favored Nation (MFN).
- Applies to both Federal and Sub-federal technical regulations.



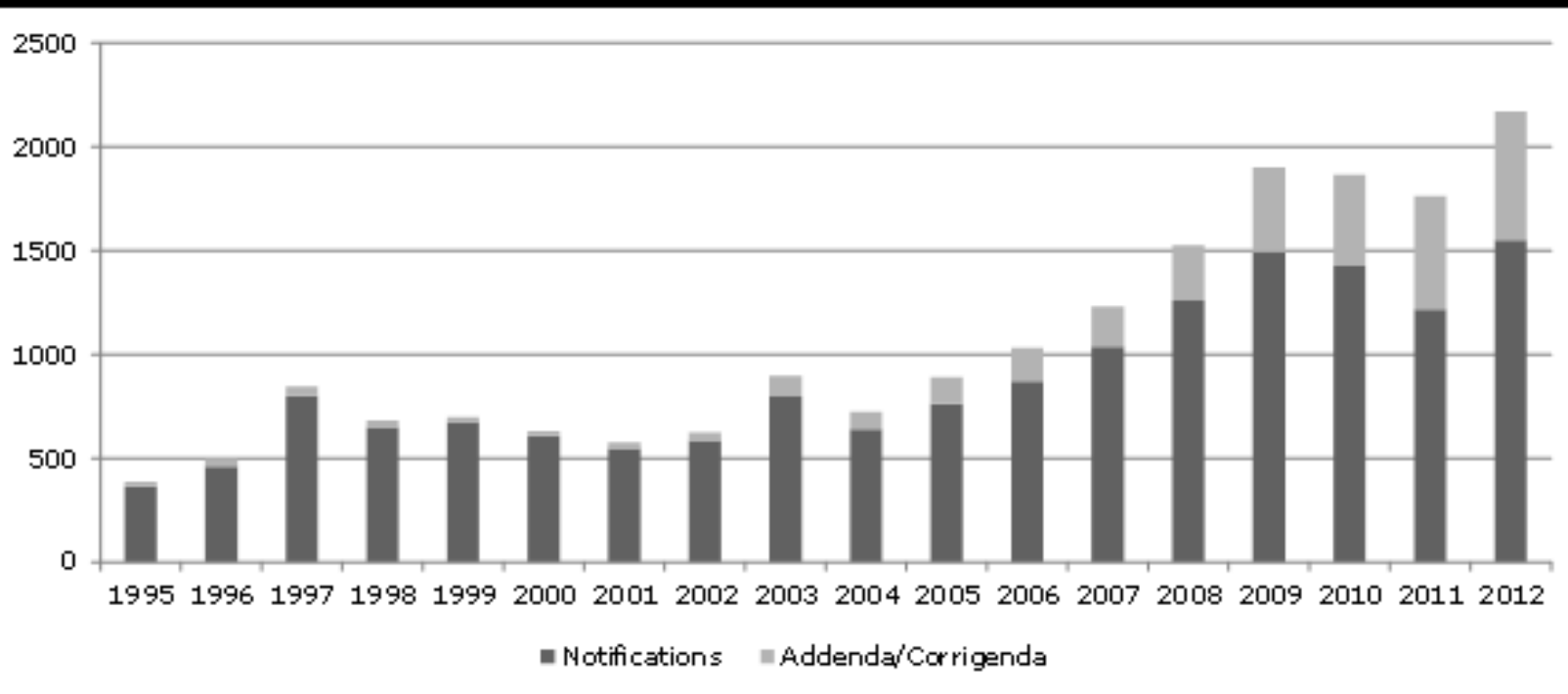
# TBT Notifications

- When a relevant international standard does not exist or a technical regulation or conformity assessment procedures is not in accordance with an international standard and it has a significant effect on trade, WTO members shall –
- Publish a notification of the proposed measure and notify the measure through the WTO Secretariat.
- Provide an opportunity for other members to comment
- Provide a copy of the proposed measure upon request and identify parts that deviate from international standards.
- Allow reasonable time for members to comment in writing, discuss comments upon request and take the comments into account.



# TBT Notifications

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# Committee Decision

- Decision – Reasonable Interval
- Subject to the conditions specified in paragraph 12 of Article 2 of the Agreement on Technical Barriers to Trade, the phrase "reasonable interval" shall be understood to mean normally a period of not less than 6 months, except when this would be ineffective in fulfilling the legitimate objectives pursued.

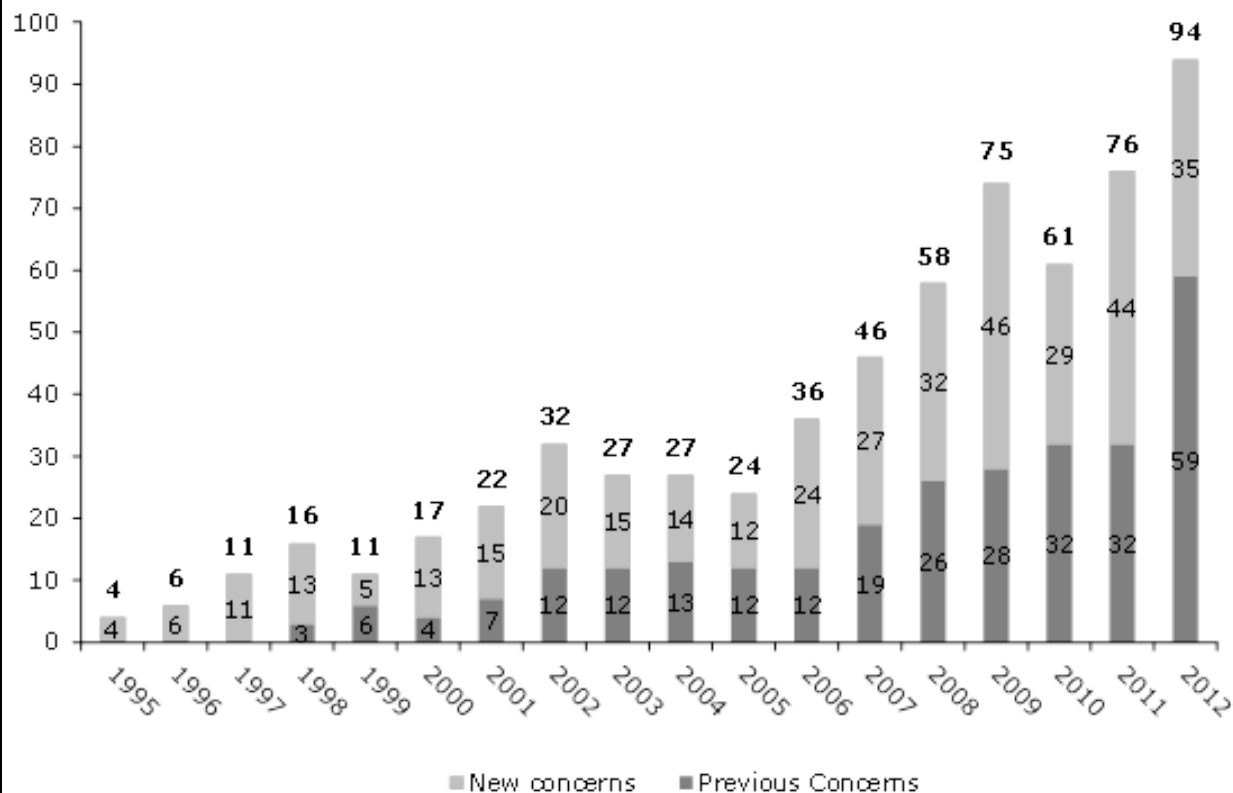


# WTO TBT Committee

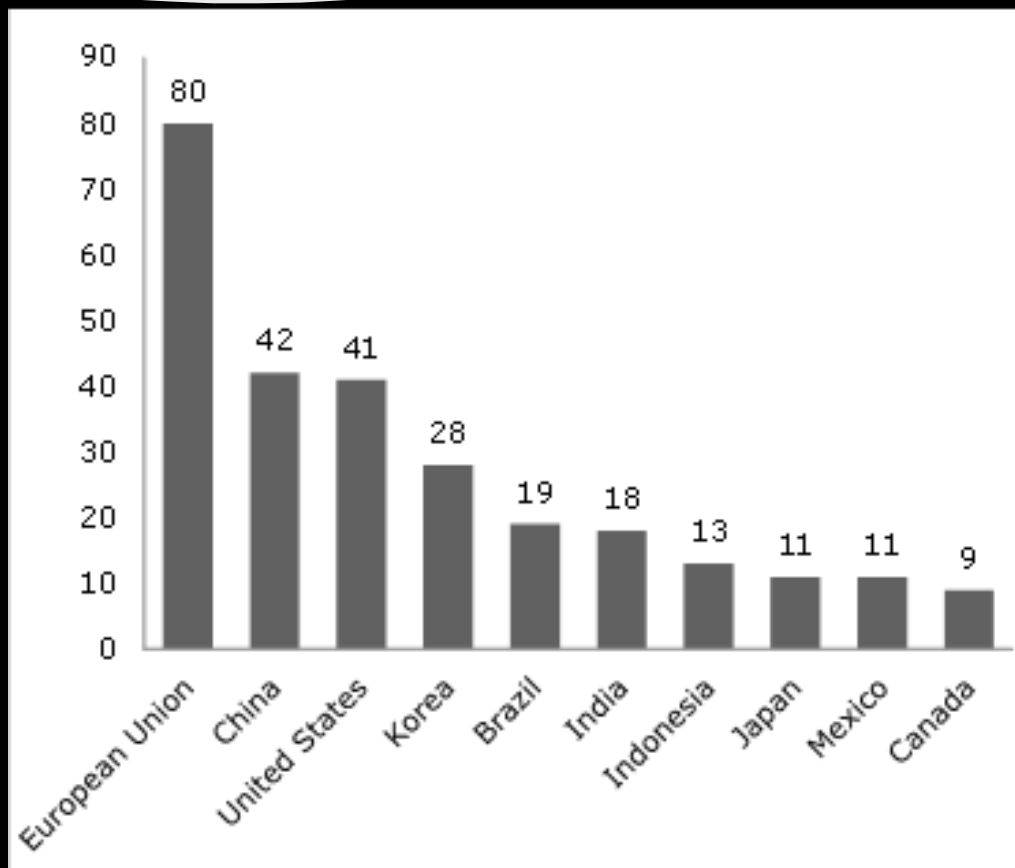
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- WTO Secretariat administers a TBT Committee that meets 3 times a year (March, June/July, October/November).
- At each committee meeting Members discuss Specific Trade Concerns, issues related to the Implementation of the Agreement
- Every three years the TBT Committee reviews the implementation of the Agreement (called the Triennial Review).
- In 2012, we completed the 6<sup>th</sup> Triennial Review of the Agreement.
- Decisions and recommendations adopted by TBT Committee (G/TBT/1/Rev.10)
- The Committee also conducts specially themed workshops (examples include operations of an inquiry point, or thematic discussions on Good Regulatory Practice, Standards or Conformity Assessment).

# Specific Trade Concerns



# Most frequent STCs





# International Standards

- International standards should be used in technical regulations unless they are ineffective or inappropriate to fulfill the legitimate objective.
- To the extent there are resources, Members should participate in international standardization activities.
- Positive consideration accepting equivalent technical regulations of other members.
- Performance preferred over design or descriptive standards
- Central government bodies should comply with the Standards Code of Good Practice (Annex 3 of the Agreement).



# Committee Decision

- In 2000, the Committee adopted a Decision on Principles for the Development of International Standards, Guides and Recommendations with Relation to Articles 2, 5 and Annex 3 of the TBT Agreement.
  - Transparency - info on standardization activities available.
  - Openness – membership of standards development organization is open
  - Impartiality - meaningful opportunities to contribute to the elaboration of an international standard
  - Consensus – consensus procedures established
  - Effectiveness and Relevance - respond to regulatory and market needs, as well as scientific and technological developments
  - Coherence – avoid duplication
  - Development Dimension – special consideration of developing country participants



# Conformity Assessment

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- Expeditious/imports and exports treated equally
- Set expectation for processing time in requirements
- Info requirements are limited to what is necessary to assess conformity and determine fees
- Confidentiality/legitimate business interests protected
- Siting of facilities is reasonable
- Procedures are reasonable to accommodate variance in product lines
- Procedures for the review of complaints
- Use of international standards for conformity assessment procedures (ISO/IEC CASCO).



# Committee Decision

- Recognition of conformity assessment results, and in particular on:
  - unilateral recognition of results of foreign conformity assessment, including on existing government designation schemes in relation to Article 6.1.2;
  - the participation of foreign conformity assessment bodies in domestic conformity assessment procedures pursuant to Article 6.4;
  - the operation of existing MRAs, including cases where implementation has not been deemed satisfactory; and their cost-effectiveness; and
  - voluntary mutual recognition arrangements and on the extent to which results of conformity assessment are accepted by regulators.





# WTO Dispute Settlement

- A dispute arises when a member government believes another member government is violating an agreement or a commitment that it has made in the WTO. The authors of these agreements are the member governments themselves — the agreements are the outcome of negotiations among members. Ultimate responsibility for settling disputes also lies with member governments, through the Dispute Settlement Body.
- Recent Dispute Settlement involving the United States
  - Measures Affecting the Production and Sale of Clove Cigarettes (Indonesia)
  - Certain Country of Origin Labelling (COOL) Requirements (Canada and Mexico)
  - Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products (Mexico)
- 39 other cases cite the TBT Agreement in their request for consultations

Thank You

Questions?

Name: Jennifer Stradtman, Director, Technical Barriers to Trade,  
Office of the U.S. Trade Representative

E-mail: [Jennifer\\_A\\_Stradtman@ustr.eop.gov](mailto:Jennifer_A_Stradtman@ustr.eop.gov)

Phone: 202-395-4498