

COMMUNICATION FROM THE UNITED STATES

The following communication, dated 4 February 2005, is being circulated at the request of the United States.

FEES

I. PROPOSAL

- X *Establish specific parameters for fees charged by Members under Article VIII of GATT 1994.*
- X *Publish such fees on the Internet and notify to the WTO within a specified number of days in advance of implementation.*

II. IMPROVEMENT AND CLARIFICATION

1. This proposal would bring clarification and improvement to GATT Article VIII through (1) specific disciplines regarding the use of fees, and (2) enhancements in transparency.

III. EXPERIENCE

2. The fees charged by Members as referenced in GATT Article VIII can add considerably to the costs associated with a transaction. Traders, and particularly small- and medium-sized companies, need to have ready access to determine applicable fees before entering into a commercial transaction. Learning of such fees only at the time of importation or exportation can significantly upset the balance struck in a particular commercial transaction. In this manner, lack of transparency leads to uncertainty, which can result in a significant market access barrier.

3. The United States believes that the complexities of import and export formalities that currently face traders could be reduced through a clarification of the parameters of their use and application, further ensuring that such fees are "limited in amount to the approximate cost of services rendered". In addition, uncertainty regarding fees could be eliminated if they were published on the Internet and if all new or increased fees or charges, or changes in the products subject to such fees or charges, were published on the Internet within an established time frame before being imposed. Such publication should include the amount of fees, when they must be paid, which entity assesses the fee or charge, and how payment can be made.

4. The importance of fees as a border facilitation issue has been discussed by WTO Members, and has been addressed in various submissions. More detailed discussion is available in submissions made during prior WTO work on Trade Facilitation (e.g., G/C/W/400 – *Submission from the United*

States of America; G/C/W/407 – Communication from the WCO; G/C/W/398 – Submission of Hong Kong, China; G/C/W/394 – Submission of the European Communities).

IV. COSTS

5. The implementation of this proposed commitment would be a matter of regulatory approach, and would not itself result in additional significant costs. As a general matter, administrative resource savings are an expected result from initiatives to increase transparency, and experience also shows that increases in certainty for importers regarding the application of duties, fees and other charges also generally results in increases in revenue collection.

V. SPECIAL AND DIFFERENTIAL TREATMENT

6. The United States looks forward to working with Members to examine the question of whether appropriate transition mechanisms would be necessary to address particular needs. However, we also note that difficulties related to fees are a particularly significant problem facing exports from developing-country Members to other developing-country markets.

VI. TECHNICAL ASSISTANCE AND CAPACITY BUILDING

7. As noted earlier, the United States has experience in providing assistance related to improving transparency through the use of the Internet. Certain International Organizations may also have experiences from which Members can draw as negotiations progress regarding the operation and efficacy of fees applied to imported goods.

VII. PROPOSED NEXT STEPS IN NEGOTIATIONS

- X Members work together to refine a specific description of the elements related to fees for Internet publication (e.g., amount of fees, how fees are calculated, government authority assessing the fee, when and how payment must be made).*
 - X Members develop specific parameters for application of fees.*
 - X Members work together to develop a method and means for undertaking a diagnosis of individual Members' situation regarding Internet publication of applicable fees, including an assessment of time and resources needed for full implementation.*
 - X Members exchange experiences on implementation and technical assistance, and develop a path by which every Member can ultimately achieve full implementation of the proposed commitment, also taking into account, as appropriate, the work of International Organizations.*
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