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**Committee of Participants on the Expansion of  
Trade in Information Technology Products**

**MINUTES OF THE MEETING OF 5 JULY 2002 AND  
THE RESUMED MEETING OF  
14 OCTOBER 2002**

Chairman: Mr. Preben Gregersen (Denmark)

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## **Introduction**

The Chairman stated that the proposed agenda for this meeting was circulated in WTO/AIR/1843 on 21 June 2002. He asked if there were any other matters to be raised under "Other Business". He stated that the review of product coverage and the date of the next meeting of the Committee would be taken up under "Other Business". The agenda was adopted with these additions.

### **1. Review of the Status of Implementation of the Ministerial Declaration on Trade in Information Technology Products (G/IT/1/Rev.24).**

1.1 The Chairman recalled that an overview of the implementation of the Ministerial Declaration on Trade in Information Technology Products was contained in G/IT/1/Rev.24. This document showed the participants and the implementation issues pertaining to the WTO procedures for implementation. He reported on two outstanding matters which continued to be shown in document G/IT/1/Rev.24, and which related to the formal procedures of implementation of two participants. He informed the Committee that he had consulted with the two participants concerned, and urged them to finalise the formal procedures. He understood that work had not stopped and hoped that the matters would be resolved by the time of the next meeting. He added that the status of the situation would be reported again at the time of the next formal meeting.

1.2 The Committee took note of the Chairman's statement.

**2. Non-tariff Measures Work Programme (G/IT/22, G/IT/SPEC/Q4/1, G/IT/SPEC/Q4/2, G/IT/SPEC/Q4/3, G/IT/SPEC/Q4/4, G/IT/SPEC/Q4/5, G/IT/SPEC/Q4/6, G/IT/SPEC/Q4/7, G/IT/SPEC/Q4/8, G/IT/SPEC/Q4/9, G/IT/SPEC/Q4/10, G/IT/SPEC/Q4/11, G/IT/SPEC/Q4/12, G/IT/SPEC/Q4/13, G/IT/SPEC/Q4/14, G/IT/SPEC/Q4/15).**

2.1 The Chairman recalled that at its last meeting, the Committee had agreed to the proposal on a pilot project and in this connection, the survey had been issued in document G/IT/22, concerning the specific issue of EMC/EMI. The survey built upon an earlier survey of the Committee with respect to the standard related matters which was done in February 1998. He was pleased to report that 15 responses had been received from participants which were circulated in documents G/IT/SPEC/Q4/1 through 15. Even though there was now a good basis to continue working in this area, he reminded all delegations that the deadline to respond to the survey was 30 May 2002. He hoped that the remaining participants would respond as soon as possible. He remarked that it was only through the contribution of information from all participants that the Committee could fully learn and understand the issue and make the appropriate analysis.

2.2 On the status of the rest of the work programme, he indicated that there were eleven original submissions from participants on identification of NTMs, which had been circulated in the G/IT/SPEC/Q2/- document series. This series had also been summarised by the Secretariat in G/IT/SPEC/Q2/11. Additionally, there were two submissions on analysis and ways to proceed, which had been circulated in G/IT/SPEC/Q3/- document series. He encouraged all delegations to continue making contributions to the work programme to the extent that they had not already done so as well as to contribute with additional information.

2.3 The delegate of Australia said that his delegation was happy to continue with Phases I and II of the Non-Tariff Measures Work Programme. He hoped that at some point the Committee would have a fulsome discussion on the way the programme could move forward to Phase III. He encouraged all those that had yet to make submissions to do so as soon as possible, since this would contribute to the body of knowledge amassed in the Committee. He noted that there had been a non-paper circulated at the meeting which outlined the proposed EMC/EMI pilot project workshop and he supported this proposal which would need to be taken into consideration in Phase III of the Committee's work. In this regard, in addition to the Secretariat's summary in G/IT/SPEC/Q2/11, he drew attention to the OECD paper in document TD/TC/WP(2001)44/Rev.1 which provided an interesting analysis of key non-tariff measures including variations between selected developed and developing countries in regulatory approaches and conformity assessment requirements. A common issue raised by industry was the unnecessary or duplicative technical regulations. The paper also found that while standards were not common in relation to EMC and electrical safety, very few international standards had yet been developed for the telecommunications aspect of Information and Communication Technology (ICT) products, radio interference and protection of public network. The paper noted the importance of ICT investment over the past decade in facilitating economic growth and the linkage between removal of barriers to trade in ICT products and the cost of ICT uptake. Despite the removal of tariffs, continuing restraints and high cost suggested that non-tariffs barriers were significant in some markets. This was why it was important for the Committee to continue its work in this area and to move to Phase III of the work programme so that it could effectively decide how it would treat non-tariff measures impeding trade in information technology products. On how to move forward, from Australia's point of view it would be useful if the Secretariat could prepare an overview paper of the survey responses which drew the common elements of the responses together and which shed light on the divergences. This would facilitate not only the regulators' workshop but in overall terms the Committee's work on the Non-Tariff Measures Work Programme. It would also be useful in terms of the pilot project and the Committee's broader work if the Secretariat could compile a bibliography of useful references of studies done by other organisations, by the WTO or any other discussion that had taken place with respect to non-tariff measures. Such a bibliography could include the OECD paper, but also other references. Members then should be encouraged to

draw on these references as necessary in their analysis. Australia placed a high priority in ensuring the continued work in this area and hoped that at some stage the Committee might be able to find the mechanisms necessary to move into Phase III.

2.4 The delegate of Canada agreed with the point made by Australia on the need to start moving into Phase III. He stated that the whole genesis of the EMC/EMI pilot project was designed to progress work on EMC/EMI issues and to be a model as to how the Committee might address other issues. He agreed that it would be useful if the Secretariat prepared a summary report of the responses to the survey, which would highlight the similarities and differences of the responses. He also agreed with Australia's proposal that the Secretariat prepare a bibliography of relevant studies, where the OECD study would clearly be one. He mentioned that his delegation had circulated in the room a non-paper with suggestions on how to structure the EMC/EMI pilot project workshop. The idea of the non-paper was that the participants understood in depth the regulatory issues as well as gained a better sense of the trade policy aspect of the EMC/EMI elements of IT products. He considered that this would also allow participating regulators to analyse and determine collectively a set of regulatory approaches for EMC/EMI. He envisaged the workshop lasting a day and a half. He proposed that on the first day the Secretariat or the Chairman could present the survey's results and its analysis. The Committee could then request a select group of participating regulators to make presentations on their approaches. This would enable the Committee to summarize the relevant issues and to come up with a set of topics for discussion for the next day. For the second day, he envisaged a panel session to come up with potential next steps to advance the exercise and to facilitate market access of IT products. Government regulators and trade policy officials, including members of the Committee, would be obvious participants to the workshop. He thought that consideration might be given to industry observing the discussions. Finally, he proposed that the workshop be held in autumn 2002.

2.5 The delegate of the European Communities stated that her delegation would also like to move on to Phase III as rapidly as possible. She supported the suggestion that the Secretariat make a comparison of the answers supplied by ITA participants, assessing common grounds, divergences, identical approaches and so forth. Once the comparison had been undertaken, the Committee should move on to the next stage of the pilot project. She agreed with Canada that end of October or beginning of November 2002 would be the most appropriate period to have the workshop. The workshop should initially enable regulators to discuss among themselves, and such a discussion should provide a better understanding of the existing divergences regarding national implementation of international standards on EMC/EMI. The workshop should also be able to provide some basis for recommendations on improving and harmonising conformity assessment procedures for EMC/EMI products. The OECD study was very useful and that it would be useful for the Secretariat to prepare a bibliography of the studies reflecting the work undertaken by other organisations as well. Regarding the Non-Tariff Measures Work Programme, she stated that her delegation would be submitting a paper on Phase II shortly.

2.6 The delegate of the United States stated that his authorities had completed the EMI/EMC survey which would be submitted to the Secretariat the following week. His authorities were also in the final stage of completing the submission for Phase II. It was important to move into Phase III of this process, and he supported the ideas expressed by previous speakers on how to achieve this. In particular, a bibliography to be prepared by the Secretariat of other studies would be particularly useful. In addition, in principle he could support Canada's proposal of a pilot-project workshop on EMC/EMI. On the specifics, he would need to consult with capital.

2.7 The delegate of the Philippines stated that her authorities were still working on the replies to the survey. There had been a delay because her authorities had yet to understand the objective, i.e. the non-tariff barriers existing in the IT sector in the Philippines. This was one of the first difficulties which had been encountered. When consulting industry, the latter was not aware of the existence of non-tariff barriers. She asked for a little more time in order to identify the existing non-tariff barriers in the IT sector in the Philippines. The bibliography and the overview paper by the Secretariat of the

responses to the survey would be useful inputs for the work of the Committee. On the pilot-project workshop proposed by Canada, she stated that she would need to consult with her capital.

2.8 The delegate of Canada stated that he could understand that participants would wish to consult with their Capitals on this proposal. In fact the reason why his delegation had put it forward as a non-paper was to generate a discussion. His delegation preferred to hold the workshop in the autumn of 2002, and as a result he proposed that the Committee suspend the meeting on this item and that the Chairman undertake informal consultations with a view to reaching agreement on the structure of the workshop and the participants before the summer break.

2.9 With respect to the US paper circulated in G/IT/SPEC/Q2/12 on redundant testing and certification requirements, his delegation could agree with the points made by the US. His authorities had been working jointly with the US, the EU, Australia and many other countries to resolve the problem by using mutual recognition agreements or MRAs. For example, the APEC telecom MRA, the intra American MRA on telecommunication and the Canada/EU MRA, as well as the adoption of suppliers' declarations of conformity in selected areas. Hopefully network protection, safety regulations and conformity assessment requirements could be an area the Committee could look at once the pilot project EMC/EMI was launched. On certificate of origin matters, Canada supported the US comments. Canada was looking at the ITA Committee or the Negotiating Group on Market Access to come up with a viable approach to eliminate this requirement for certificate requirements globally on ITA products.

2.10 The delegate of Australia requested clarification from Switzerland on one of its survey responses. He noted that in response to question 3 on what conformity assessment procedure does the government require for approval of information technology products, there were four listed possible procedures: a) Internal production control procedure; b) internal production control plus specific apparatus tests; c) technical construction file procedure; and d) full quality assurance procedure. However, on the following page, Switzerland had stated that depending on the type of telecommunications equipment the aforementioned procedures could be selected. He was wondering whether Switzerland could provide further information on how conformity assessment procedures were selected and if there were any other criteria used besides the type of telecommunications equipment?

2.11 The delegate of Switzerland stated that she had taken note of the question and would provide a response to Australia as soon as possible.

2.12 The Chairman thanked participants for their contributions and for the indications that further information regarding the responses and Phase II of the work programme was on its way. He proposed that the Secretariat prepare a overview paper of the responses to the survey and a bibliography of studies on this subject. On the Canadian proposal for a workshop, since it was very recent, and although there seemed in principle to be broad agreement on running a workshop as soon as practicable, he proposed to suspend the meeting of the Committee on this agenda item in order to hold consultations on this proposal and to resume the meeting hopefully before the summer break.

2.13 The Committee took note of the statements and agreed to the Chairman's proposals.

2.14 At the Committee's resumed meeting on 14 October 2002, the Chairman recalled that at the Committee's informal meeting of 30 July 2002, he had reported that participants were in principle in agreement with Canada's initial proposal on a pilot project workshop on EMC/EMI which was circulated as a non-paper at the 5th July 2002 meeting of the Committee. However, the point was made that it would be useful if Canada could revise its proposal in light of comments made, and if more "meat" could be added to the proposal. This had been done and the revised proposal had been circulated as G/IT/SPEC/Q3/4. A second point made was that one of the objectives of this workshop should be to

allow for maximum participation, which meant that funding had to be available to enable the attendance of at least one regulator from each developing country participant to this workshop. In this respect, he had informed participants that funding had been requested under the 2003 budget, but of course this request would need to be approved by the Budget Committee. In terms of timing, given the schedule of meetings, the earliest available date the Secretariat could find for this one-and-a-half day workshop was 3 March 2003. It had also been envisaged to hold a formal Committee meeting at the end of the workshop, and half a day had been provided. With this introduction, he asked whether the Committee could agree to hold the workshop on the basis of the Canadian proposal circulated as document G/IT/SPEC/Q3/4, subject to agreement in the Budget Committee about the funding requirements for the Workshop?

2.15 In response to a question by the representative of the United States, the Chairman clarified that this Workshop was part of the Coordinated WTO Secretariat Annual Technical Assistance Plan 2003. So, the Workshop was tied to the approval of the Technical Assistance Plan 2003 and the Budget Committee's approval of the corresponding target amount of expenditure for that Plan.

2.16 The Committee took note of the statement and agreed to hold the workshop on the basis of the Canadian proposal circulated as document G/IT/SPEC/Q3/4, subject to approval of the Coordinated WTO Secretariat Annual Technical Assistance Plan 2003 and agreement in the Committee on Budget, Finance and Administration about the corresponding target amount of expenditure for the Technical Assistance Plan 2003.

### **3. Divergences in Classifying Information Technology Products**

3.1 The Chairman recalled that the Committee had continued working on classification divergences. He noted that the Committee had a meeting of customs experts during 6-8 May 2002 and very good progress had been made. He noted that the Secretariat was working to complete the formal report of the group in conjunction with the customs experts. With respect to the work on classification at the May 2002 meeting, he noted that all the Attachment B items were addressed by the customs experts. On most items consensus had been reached among the experts as to agreement on one possible classification, or 2 or more agreed-upon classifications. He also noted that the number of outstanding issues had been significantly reduced and, in some instances, suggestions as to how to address them had been made. However, he noted that there would be a few items recommended to be sent to the WCO for their classification opinion. Furthermore, there were a number of important issues whereby the customs experts had sought the advice of the Committee on what was meant by the coverage under the ITA. He concluded that a lot of work had been accomplished, but there would still be a need for formal consideration and endorsement in the Committee, as well as looking at some issues of ITA coverage. In particular, he noted that those who had not been able to send customs experts to the meeting would need to devote the necessary resources to examine the outcome of this work.

3.2 The delegate of Philippines stated that her capital was unable to send an expert for this meeting and requested the Secretariat to distribute the outcome of the customs expert meeting in order to review it.

3.3 The Chairman stated that the report from the expert meeting would be ready for distribution as soon as possible.

3.4 The Committee took note of the statements made.

### **4. New Participants**

4.1 The Chairman recalled that the schedule of the People's Republic of China was submitted to the Committee at its February 2002 meeting. At that time, it was decided to revert to this matter of the new participant at this meeting as some participants needed more time to consider this question. However, he

had been informed that additional time would be required to resolve the issue, proposed to revert to this matter at the Committee's next meeting scheduled for October 2002.

4.2 The delegate of the United States informed the Committee that consultations between his government and the government of the People's Republic of China had continued on this issue. He believed that both governments were making progress. He envisaged that a solution would be found soon on this question of end-user requirement, which would allow China to participate in the ITA on the same basis as all other Members.

4.3 The delegate of China informed the Committee that consultations were being held between the United States and China on this issue. The issue was related to an assessment which facilitated the determination by customs of the use of the product.

4.4 The Committee took note of the statements and agreed to revert to this matter at its meeting of October 2002.

## **5. Derestriction Policy (WT/L/452)**

5.1 The Chairman stated that the General Council had taken a decision on 14 May 2002 on "Procedures for the Circulation and Derestriction of WTO Documents" (WT/L/452), which updated the previous derestriction policy of the WTO (WT/L/160/Rev.1) for all official WTO documents. He noted that in the new decision, Members had specifically excluded the "G/IT" series of documents which pertained to the work of the Committee. Furthermore, he recalled that the Committee at its meeting of 30 October 1997 (G/IT/M/2) had agreed to follow the derestriction policy for WTO documents, as contained in the old decision (document WT/L/160/Rev.1). Thus, the situation was unclear as to whether the Committee should follow the new decision on derestriction, as adopted by the General Council on 14 May 2002. Taking into account the previous decision by the Committee, he considered that the intention was to follow and not to deviate from the WTO derestriction policy. He stated that it made little sense to have special treatment for the Committee's documents, as the work and issues were generally the same as in other WTO bodies. Furthermore, additional procedures could be administratively burdensome on the Secretariat. He also noted that the participants to the Committee were the same ones that were represented in the wider WTO. Thus, he recommended that the Committee continue to follow the agreed-upon policies of the WTO with respect to circulation and derestriction of documentation, which meant that the Committee had to be guided by the policies outlined in WT/L/452.

5.2 He pointed out that individual submissions of participants to the NTM work programme were issued and circulated in G/IT/SPEC/- series of documents. Those documents had been issued as "restricted" under the old policy. Therefore, in order to have continuity for the NTM work programme, he suggested continuing to issue those documents as "restricted" if they pertained to submissions to Phases I, II, or III of the NTMs work programme.

5.3 The delegate of Canada supported the new derestriction policy for the ITA Committee. Regarding submissions under the NTMs work programme, he was willing to having those documents derestricted immediately.

5.4 The delegate of Australia stated that he needed to reflect on the issue of the derestriction policy of submissions made under the NTMs work programme. His delegation would favour a solution which would not hamper or impede the work in the NTMs area.

5.5 The Chairman proposed that the Committee agree to follow the derestriction policies as laid out in the decision entitled "Procedures for the circulation and derestriction of WTO documents"

contained in document WT/L/452. However, with respect to the derestriction and circulation policy of the G/IT/SPEC/- series, he suggested suspending the meeting on this issue in order to hold consultations and to revert to this matter at the Committee's resumed meeting.

5.6 The Committee agreed to the Chairman's proposals.

5.7 At the Committee's resumed meeting of 14 October 2002, the Chairman recalled that at the Committee's 5 July 2002 meeting, the Committee had agreed to follow the General Council Decision of 14 May 2002, on the "Procedures for the circulation and derestriction of WTO documents" (WT/L/452). At that time, he had pointed out that to date, the individual submissions of participants to the NTMs Work Programme, had been issued and circulated in the G/IT/SPEC/- series of documents, and that these had been issued as "restricted" under the old policy. At that meeting, one delegation had indicated that it had no objections to derestricting the whole series, while, another delegation had requested time to reflect on this issue. At the informal meeting on 30 July 2002, it had appeared that participants were in favour of derestricting documents which had been thus far issued in the G/IT/SPEC/- series. In this connection, he wished to clarify that all future documents to be issued in the G/IT/- series, including the G/IT/SPEC/- series, would follow the policy set out in the General Council decision (WT/L/452) which the Committee had agreed to follow on 5 July 2002.

5.8 The Committee agreed that documents thus far issued in the G/IT/SPEC/- series should be derestricted as of the date of this meeting.

## **6. Other Business**

6.1 The Chairman stated that the issue of the review of product coverage continued to be a matter under consultation, and he encouraged delegations to continue their efforts.

6.2 Furthermore, he proposed that the Committee's next regular meeting be held on 14 October 2002, subject to confirmation.

6.3 The Committee so agreed.

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