

WORLD TRADE ORGANIZATION

RESTRICTED

TCA/TSC/1

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Technical Sub-Committee of the Committee on Trade in Civil Aircraft

NOTE BY THE CHAIRPERSON

Mr. Didier Chambovey (Switzerland)

1. The Technical Sub-Committee of the Committee on Trade in Civil Aircraft met on 16 December 1999 to address two matters referred to it by the Committee (TCA/M/8, paras. 10-24).

A. UPDATE OF HS HEADINGS IN THE PRODUCT COVERAGE ANNEX OF THE 1979 AGREEMENT ON TRADE IN CIVIL AIRCRAFT

2. The Technical Sub-Committee discussed how the 1996 revisions to certain Harmonized System (HS) headings should be transposed into the Product Coverage Annex of the Agreement. At the outset, Signatories were reminded that the overall product coverage of the Agreement was defined in Article 1 of the Agreement and that this exercise was fundamentally one of technical transposition that did not aim to expand the product coverage of the Product Coverage Annex. The relevant HS headings, identified in the Chairperson's letter of 23 April 1999, were as follows: 8271.20; 8471.91; 8471.92; 8471.93; 8483.40; 8502.30; 8543.80; 8801.10 (French text only); 9025.20; 9030.81 and 9030.89. Changes made to heading 9025 in the 1992 revision of the HS were also taken into account. The Technical Sub-Committee discussed each of these HS headings individually, and several delegations suggested changes that could be made to the Product Coverage Annex in order to reflect these revisions.

3. The Technical Sub-Committee agreed to recommend that the Committee instruct the Secretariat to prepare, on the basis of the discussions in the Technical Sub-Committee, a draft of a revised protocol and Product Coverage Annex for review by Signatories. Such a revised protocol would eventually replace the existing (1986) Protocol currently annexed to the Agreement. The draft revised protocol would be circulated in order to allow sufficient time for the Signatories to review it in advance of the next regular meeting of the Committee in June 2000. Following the circulation of the draft revised protocol, Signatories would then have the possibility to express their reactions to it. Taking into account any reactions of Signatories to the draft, a draft revised protocol could be presented for adoption at the next regular meeting of the Committee. If necessary, another meeting of the Technical Sub-Committee could also be scheduled prior to the next meeting of the Committee in order to consider the draft revised protocol.

4. One delegation stated that while it supported this process, the timing for that delegation's acceptance of this amended protocol would depend on its domestic parliamentary procedures. The Chairperson clarified that his understanding was that if Signatories found themselves in a position in June 2000 formally to adopt a revised protocol amending the current Product Coverage Annex of the Agreement, then this decision would subsequently have to be submitted to national parliaments for ratification. The revised protocol would only come into effect for Signatories once their parliaments had ratified the amendments.

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B. EXTENSION OF PRODUCT COVERAGE OF THE PRODUCT COVERAGE ANNEX OF THE 1979 AGREEMENT ON TRADE IN CIVIL AIRCRAFT

5. The Technical Sub-Committee considered a proposal by Canada to amend the Product Coverage Annex of the Agreement in terms of Article 9.5 of the Agreement in order that "ground maintenance simulators" would be covered by the Product Coverage Annex of the Agreement. Canada provided the Technical Sub-Committee with information on the nature of the product in question.¹ The reaction to the proposal was largely favourable. One delegation stated that it had already expressed its support for this initiative in the past. One delegation thanked the delegate of Canada for the additional information just provided and stated that it needed more time to consider the proposed amendment. One delegation stated that although it had no objection to the substance of the proposed amendment, the timing for that delegation's acceptance of the amendment would depend on its domestic parliamentary procedures.

6. The Chairperson stated that if all Signatories could agree to the proposed amendment at the meeting of the Committee to be held on 17 December 1999, then "ground maintenance simulators" could be included in the draft revised protocol that the Technical Sub-Committee had agreed to recommend that the Committee instruct the Secretariat to prepare (see para. 3 *supra.*).

7. The Chairperson encouraged Signatories to use the process of reviewing the draft revised protocol as an opportunity to identify other items that might be considered for addition to the Product Coverage Annex. Such items would be kept separate from the two matters addressed at this meeting of the Technical Sub-Committee. One delegation suggested that Signatories might consider adding HS heading 8543.81 – "proximity cards and tags" (to the extent they were aircraft-related) -- to the Product Coverage Annex of the Agreement in this manner.

¹ Circulated as document TCA/TSC/W/7.