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# Need For Better Identification And Analysis Of Nontariff Barriers To Trade

B-162222

Department of State  
Department Of Commerce  
Office of the Special Representative for  
Trade Negotiations

**UNITED STATES  
GENERAL ACCOUNTING OFFICE**

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JAN. 21. 1974



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

B-162222

The Honorable Henry A. Kissinger  
Secretary of State

Dear Mr. Secretary:

This enclosed copy of our report concerns the results of our review of the Government system for identifying and analyzing nontariff barriers (NTBs) to trade, as administered by the Department of State, Department of Commerce, and the Office of the Special Representative for Trade Negotiations.

We reviewed NTBs that were of current concern to trade policy officials although the small number of cases reviewed did not represent the broad range of NTB categories. This review together with interviews of Government and industry officials provided a measure of the Government's system for identifying and analyzing NTBs.

Improvements are needed in identifying and analyzing NTBs. Therefore, we are recommending that the Secretaries of State and Commerce in consultation with the President's Special Trade Representative (1) increase efforts to identify NTBs through Embassy, industry, and other available sources, (2) identify priority NTBs and provide reporting instructions to the Embassies, in each case specifying the reporting time frame, level of detail, and modes of analysis required, and (3) improve consultative procedures with private industry and trade associations and insure that the information base is representative of industry interests.

We wish to acknowledge the cooperation you extended to our representatives during the review.

Sincerely yours,

A handwritten signature in cursive script that reads "J. K. Fasick".

J. K. Fasick  
Director

Enclosure

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### ABBREVIATIONS

EC	European Community
EFTA	European Free Trade Association
GAO	General Accounting Office
GATT	General Agreement on Tariffs and Trade
NTB	nontariff barrier
OECD	Organization for Economic Cooperation and Development
STR	Special Representative for Trade Negotiations

GENERAL ACCOUNTING OFFICE  
REPORT TO THE SECRETARY OF STATE

NEED FOR BETTER IDENTIFICATION AND  
ANALYSIS OF NONTARIFF BARRIERS  
TO TRADE

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D I G E S T

WHY THE REVIEW WAS MADE

Because of recent balance-of-trade problems, GAO is making a series of reviews of Government efforts to increase exports. This report concerns the Government system for identifying and analyzing nontariff barriers (NTBs) to trade.

Background

Commerce defines an NTB as "a government measure--either a law, regulation, policy or practice--that has a restrictive effect on imports, other than actual import duties."

This definition has lately been expanded to encompass government measures which distort normal trade patterns and, therefore, includes export subsidies and indirect aids to exports.

NTBs are recognized as impediments to free trade, and foreign NTBs inhibit the expansion of U.S. exports. The Government began major multilateral trade negotiations in September 1973, which will include, among other issues, amelioration or removal of NTBs.

FINDINGS AND CONCLUSIONS

An adequate NTB information base

should assist the United States in its diplomatic representations designed to mitigate or eliminate NTBs. The information base may be developed through timely identification of NTBs and sufficient analysis to determine the elements involved.

This would include how these NTBs operate, commitment of the foreign government to retaining the NTBs, their trade effects, relationship of the NTBs to the General Agreement on Tariffs and Trade obligations undertaken by the foreign governments, and relationship of possible representations to other U.S. policy considerations.

Despite the importance of adequate information, ultimate results of NTB negotiations will depend largely on the degree of commitment to reducing NTBs demonstrated by foreign countries and, given the reciprocal nature of the international negotiations, willingness of the United States to negotiate comparable concessions on its NTBs.

GAO reviewed NTBs of current concern to trade policy officials. This review, together with interviews of Government and industry officials, provided a measure of the Government's system for identifying and analyzing NTBs.

The small number of cases reviewed did not represent the broad range of NTB categories; four cases involve standards issues, one involves licensing restrictions, and one concerns foreign government procurement.

GAO found a need for improvements in identifying and analyzing NTBs. GAO's primary findings and conclusions follow.

- Commerce and State did not adequately specify the reporting time frame, level of detail, and modes of analysis required in NTB reporting nor did they fully provide Embassies with relevant priority direction and background material.
- U.S. Embassies made belated responses to State and Commerce requests for information and made only limited efforts to solicit NTB data from foreign importers. Poor feedback from various Washington agencies of technical data on NTBs reported by U.S. posts limits Embassy officials' abilities to analyze NTBs. Other work requirements limited the amounts of time available for Embassy officials to work on NTBs.
- Commerce made only limited efforts to solicit and analyze NTB data from domestic trade associations and individual firms. Commerce commodity specialists' expertise was not fully used to analyze NTBs.
- Firms and trade associations have shown some reluctance to furnish data Commerce requested or, in other instances, to seek Commerce assistance to resolve NTB problems.

As a result of problems in collecting and analyzing NTB data,

diplomatic representations designed to prevent or eliminate NTBs will not be as effective as they could be, in terms of timing, direction, and substance.

#### RECOMMENDATIONS

GAO is recommending that Secretaries of State and Commerce, in consultation with the President's Special Trade Representative:

- Increase efforts to identify NTBs through Embassy, industry, and other available sources. Embassies should be kept informed of broad policy and specific NTB developments to facilitate these efforts.
- Identify priority NTBs and give reporting instructions to the Embassies, in each case specifying the reporting time frame, level of detail, and modes of analysis required. Embassy input should include information on the volume of U.S. exports affected, the NTB impact, new NTBs revealed during these investigations, foreign government attitudes and policies, and potential for relief. This input should complement information obtained from industry and other sources.
- Improve consultative procedures with private industry and trade associations and insure that the information base is representative of industry interests.

#### AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department of Commerce, in commenting on matters in this report, informed GAO that significant changes had recently been made in the system for identifying and

analyzing NTBs to achieve a more rational NTB decisionmaking system. According to Commerce:

- A joint Special Trade Representative, Commerce, and industry consultations program, initiated in June 1973, will provide the opportunity and channel for improved communication and coordination with the U.S. business community.
- A new system was being established (August 1973) for reviewing trade policy implications of the European Community Standards Harmonization Program. This system may include (1) improved reporting by overseas posts, (2) guidelines for contents of such reporting, and (3) a regularized system for acquiring technical analysis of likely trade effects from U.S. industry as well as Government industry and technical

experts.

The Department of State commented:

- Cases described in the report led the United States to initiate an effort to draft, under auspices of the General Agreement on Tariffs and Trade, a multilateral standards code for submission to governments, to prevent the adoption of standards which discriminate against trade.
- The Economic Intelligence Committee plans to initiate current and long-range reporting guidance and alert lists to posts on Washington information needs.

Implementation of recent actions by State and Commerce and needed coordination and direction of inputs from Commerce, State, trade associations, industry, and overseas missions should help resolve the problems noted in this report.



## CHAPTER 1

### INTRODUCTION

The Departments of State and Commerce and the Special Representative for Trade Negotiations (STR) are responsible for dealing with foreign nontariff barriers (NTBs). Although these responsibilities frequently are determined by the nature and significance of the NTB issue, generally the roles of Commerce and State include identifying and analyzing NTB data. STR coordinates interagency deliberations and attempts to stimulate common action. The three agencies provide direction on NTB priorities and support for overseas posts which are staffed by the Foreign Service of the Department of State and persons assigned abroad by other agencies.

Commerce defines an NTB as "a government measure--either a law, regulation, policy or practice--that has a restrictive effect on imports, other than actual import duties." This definition has lately been expanded to encompass government measures which distort normal trade patterns and, therefore, includes export subsidies and indirect aids to exports. The definition covers many impediments to trade maintained by the United States and other nations. For example:

- Some NTBs are specifically designed to protect vulnerable domestic industries from import competition; others may reflect government efforts to preserve foreign exchange, promote economic development, or protect national health, safety, and security.
- Some are recognized as legitimate under international agreements; others are contrary to such agreements.
- Some operate subtly; others are quite obvious and explicit.
- Some are contained in domestic law and result from central government policy; others represent the discretionary actions of customs or other local officials.



--Some preclude all imports of a given product; others merely limit the value or volume of imports.

### NTB IMPACT

Commerce officials observe that NTB restrictions have become relatively more prominent as the Kennedy Round tariff reductions have taken effect. These reductions have revealed many barriers to trade formerly obscured by high tariff rates and have accorded greater relative significance to others. During this period there has been a proliferation of certain types of NTBs--particularly product, health, safety, and environmental standards--and a regional harmonization of others, which threatens to further distort world trade and impede U.S. exports. The mutual or multilateral removal of NTBs would not insure enhanced balance-of-trade or employment positions. However, recent currency realignments, U.S. advantages in high technology products, and relative price stability, when combined with increased access to foreign markets, would promote our balance-of-trade and domestic employment objectives.

Further concern with trade barriers results from the impact on domestic employment by U.S. firms establishing foreign production bases. Although companies may be induced to locate manufacturing facilities abroad because of the advantages of greater proximity to the market or availability of cheaper labor, recent Harvard University and U.S. Chamber of Commerce studies on multinational corporations show that such decisions frequently reflect efforts to circumvent trade barriers which impede or preclude access to a market. Further, Government officials we interviewed and official documents we examined indicated that the adverse effects of NTBs on investment patterns justified urgent efforts to remove or ameliorate NTBs.

### EFFORTS TO REMOVE .NTBs

Before 1967 efforts to remove NTBs proceeded primarily on a bilateral level. Kennedy Round agreements on an

antidumping code and the abortive "chemicals package"<sup>1</sup> were the major exceptions. Emphasis shifted to the multilateral level in 1967 with the formation, at American initiative, of the Committee on Trade in Industrial Products within the General Agreement on Tariffs and Trade (GATT). The Committee was assigned the task of eliciting NTB notifications from the GATT contracting parties and compiling an NTB inventory.

The Committee received 800 submissions, which were then assigned as follows to five working groups to explore possible solutions to the major restrictions.

- Government participation in trade, including procurement policies and practices, export subsidies and countervailing duties, domestic subsidies, and state trading.
- Customs and administrative entry procedures, including customs valuation policies and procedures, antidumping practices, tariff classification systems, and various documentation problems.
- Standards impeding trade, including disparities in product standards, and unreasonable application of standards, packaging, labeling, and marking requirements.
- Specific limitations on trade, including import quotas, import licensing procedures, bilateral trade agreements, and minimum price limits.
- Charges on imports, including prior import deposits, administrative and statistical fees, discriminatory taxes, credit restrictions, border tax adjustments, and variable levies.

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<sup>1</sup>A tentative agreement reached during the Kennedy Round tariff negotiations providing for U.S. elimination of a discriminatory system for import valuation of certain chemicals in exchange for European concessions on automobile road taxes and chemicals tariffs. The agreement did not receive necessary approval by the Congress.

The major emphasis among these categories was placed initially on standards, import licensing, and customs valuation practices. Consular formalities, export subsidies and countervailing duties, indirect aids to export, quantitative restrictions, import documentation, and packaging and labeling have received recent attention. Some of the working groups responsible for seeking solutions to these NTBs have developed codes of national behavior subject to national government endorsement. The standards code has been the subject of recent trade information committee public hearings on the advisability of U.S. accession to the code. In addition, the Organization for Economic Cooperation and Development (OECD) is formulating a code of national conduct for government procurement practices.

The considerable amount of diplomatic activity represented by both bilateral and multilateral efforts has liberalized trade with certain countries in particular sectors.

A notable success, due primarily to bilateral pressures, is Japan's revision of its import licensing system, elimination of import quotas for a variety of products, and relaxation of investment controls. In addition, the 1972 United States-Japan trade talks resulted in abolishing Japanese preferential government procurement of certain domestic products. Japan has also suspended preferential export financing, abolished tax incentives for exports, and reduced the commodity tax on large automobiles.

Also in 1972, the European Community (EC) agreed that its tax policy under the Common Agricultural Policy on tobacco would not be discriminatory. Some success has also been achieved in inducing various countries to remove quantitative restrictions formerly justified on the basis of balance-of-payments difficulties.

However, numerous barriers having a significant cumulative impact on U.S. exports remain in force. Japan continues to maintain quotas on some key products of considerable export potential to the United States, and to apply other practices which discourage efforts to penetrate the Japanese market. The EC's Common Agricultural Policy, with its system of variable levies and export subsidies, remains probably the single most significant NTB in terms of

impact on U.S. exports. New product, health, and safety standards harmonization and certification arrangements have proliferated on both national and regional levels within Western Europe. Although such arrangements have desirable elements and may facilitate trade among participating countries, they may seriously inhibit exports from countries excluded from such arrangements. Many countries pursue discriminatory government procurement practices and policies, maintain systems for licensing imports, or apply border taxes which raise the prices of imported products.

The adequacy of the Government's system for collecting and analyzing NTB information is particularly germane at this time because of major multilateral trade negotiations designed to reduce or eliminate NTBs and other trade barriers on a reciprocal basis.

#### SCOPE OF REVIEW

We reviewed NTBs of current concern to trade policy officials. This review and interviews with Government and industry officials provided a measure of the Government's system for identifying and analyzing NTBs. The small number of cases reviewed does not represent the broad range of NTB categories. However, cases were selected by consulting with Commerce officials and were intended to identify NTBs that would demonstrate the typical functioning of the NTB system. We interviewed concerned officials representing Governments and industry, both in Washington and in Western Europe, and reviewed their information and literature on NTBs and trade negotiations.

## CHAPTER 2

### CRITERIA AND SOURCES FOR

#### IDENTIFYING AND ANALYZING NTBs

An adequate NTB information base could assist the United States in diplomatic representations designed to mitigate or eliminate NTBs. The information base may be developed through timely identification of NTBs and sufficient analyses to determine their operations, commitment of the foreign government to retain the NTBs, NTB trade effects, relationship of the NTB to the foreign government GATT obligations, and relationship of possible representations to other U.S. policy considerations.

Private industry identifies the greatest number of NTBs, because it possesses the technical competence to recognize policies and regulations which inhibit trade and because firms which export are directly confronted by NTBs. The industry sources include trade associations which represent part or all of an industry, individual U.S. exporters, and foreign importers of U.S. products. Although these sources cannot provide exhaustive information, their cumulative potential for identifying NTBs and the related impact on U.S. negotiating efforts are significant.

U.S. Embassies and Missions to such regional and international organizations as EC, GATT, and OECD also identify NTBs. The Department of State instructed overseas posts to report, on an alert basis, any foreign NTB existing or being planned in foreign governments. In addition, State regularly requests posts to confirm, and provide further information on, NTBs reported by private industry. These responsibilities have been reiterated in recent cables seeking data for the multilateral trade negotiations.

Although the diplomatic posts do not have the specialized technical competence of private industry, their presence in foreign countries is an advantage. With adequate contacts in foreign governments and appropriate efforts to collect information, U.S. representatives can alert policymakers to an NTB before it is implemented. Early warning may allow the Government to take diplomatic actions to avert or lessen the impact of its application.

These basic sources are supplemented by information obtained through polls of U.S. industry, Trade Information Committee, and congressional hearings and should be enhanced by industry and Government technical consultations planned for multilateral trade negotiations.

Analysis of NTBs may include:

- NTB Operation, involving analysis of precisely how the foreign government maintains the restriction, which foreign agencies and individuals are responsible for applying NTB, and how these agencies and individuals interact.
- Commitment of the foreign government, involving an assessment of the priority attached by that government to retaining NTB, reason for the priority assigned, likelihood and appropriate instruments for successful negotiation, identification and description of the decisionmaking processes, and policymakers to be influenced.
- NTB Trade effects, involving assessment of volume of U.S. exports affected, estimation of export potential in absence of NTB (including analysis of the foreign market, technological and price competitiveness of American products affected by NTB) and comparison of trade effects of this NTB with others maintained by the foreign government. Although it is feasible to develop useful estimates, the very nature of NTBs and their often multiproduct applicability compound the difficulty of precise measurement.
- Legality, involving analysis of NTB and how foreign government justifies it in the light of GATT law and any specific foreign government GATT obligations, suitability of a multilateral forum for seeking removal or amelioration of an NTB, and further informational requirements for introducing the issue into GATT.
- Relationship of NTB representations to general foreign economic and diplomatic/strategic policy priorities, requiring assessments of impact of diplomatic representations on trade and monetary negotiations, on

overall diplomatic relationships, on increased competition from third countries resulting from NTB removal, and on demands likely to be made of the United States in exchange for foreign NTB concessions.

NTB analysis is a complex task and requires the application of diverse types of expertise and the coordination of individuals and agencies with this expertise. These sources of analytical ability and their various roles are as follows:

- U.S. posts may be expected to help analyze (1) NTB operations, (2) the commitment of various segments of the foreign government to the restriction, (3) the NTB's negotiability and the appropriate strategy to pursue, either bilateral or multilateral, and if bilateral the level and intensity of representations required.
- Foreign importers should, in conjunction with the Embassy, assess NTB operations and provide specific examples and overall estimates of trade damage resulting from the NTB and export potential in its absence.
- Individual exporters should analyze NTB operations, impacts of NTBs on past sales, future potential for their products, and their willingness to take advantage of successful diplomatic representations by emphasizing exports.
- Trade associations can provide much the same type of analysis as individual exporters but with an industry-wide perspective. They may also be capable of analyzing NTB operations and trade effects with greater sophistication than can individual exporters.
- Government commodity specialists should provide assessments of NTB trade effects and export potential for their commodities in the absence of NTBs.
- Government trade specialists should assess the advisability of various modes of negotiation, intensity and level of representations, diplomatic constraints and opportunities, and priorities within the NTB sector and between NTBs and other foreign economic and diplomatic interests.

## CHAPTER 3

### BETTER IDENTIFICATION AND ANALYSIS OF NTBs NEEDED

The five NTB cases we reviewed and our interviews with Government and industry officials show:

- Commerce and State did not adequately specify the reporting time frame, level of detail, and modes of analysis required in NTB reporting nor did they fully provide the Embassies with relevant priority direction and background material.
- U.S. Embassies made belated responses to State and Commerce requests for information and made only limited efforts to solicit NTB data from foreign importers. Poor feedback from various Washington agencies of technical data on NTBs reported by U.S. posts limited Embassy officials' ability to analyze NTBs. Other work requirements limited the amounts of time available for Embassy officials to work on NTBs.
- Commerce made only limited efforts to solicit and analyze NTB data from domestic trade associations and individual firms. Expertise of Commerce commodity specialists was not fully used to analyze NTBs.
- Firms and trade associations have shown some reluctance to furnish data Commerce requested or to seek Commerce assistance to resolve NTB problems.

### CASE STUDIES

A summary of NTBs we reviewed follows.

#### The Multipartite Accord

The Multipartite (originally Tripartite) Accord is an agreement among the members of the EC and the European Free Trade Association (EFTA) to develop common standards and standards certification procedures for electronic components. Although this development should facilitate trade within Europe, it may seriously impede U.S. exports,



since the United States has thus far not been granted membership in the Accord.

### Identification issues

In July 1967 during OECD discussions at which the United States was represented, Great Britain indicated that it was attempting to develop harmonized standards on a European basis for electronic components in the interest of facilitating trade among those countries. In September 1967 all OECD members were advised that a tripartite committee had been formed in London, composed of Great Britain, France, and West Germany, to pursue agreement on an Accord. In November 1967 the tripartite working group issued a declaration of accord.

The developments proceeded with no U.S. Embassy reporting or discussion within the U.S. Government. The State Department asserted that these activities were impeded because the proceedings of the tripartite committee were not made available to the public. The impetus to act came from the electronics industry which notified the Government in April 1968 of this potential NTB. The industry expressed concern that the proposed certification system for electronic components might adversely affect exports to Europe unless some arrangements were made for U.S. participation. The volume of jeopardized trade was estimated by a trade association and Commerce at \$200 million annually.

In July 1968 State instructed our Bonn, London, and Paris Embassies to make inquiries about the Tripartite Accord. On the basis of the replies received, the London Embassy was instructed to submit a note to the British Foreign Office in October 1968. A reply was not received from the British Government until May 1969. In it the British Government explained that the countries involved in the Accord intended to apply it worldwide after it had proved feasible on a smaller scale and contended that trade restriction was not intended.

State advised us that only after persistent, forceful representations did it receive a copy of the Accord from the British Government in October 1969.

After a long series of U.S. diplomatic representations, reciprocal visits, and international conferences, during which time the original Tripartite Accord expanded to include all EC and EFTA countries, the participants finally agreed to admit the United States if it were ready to join before a worldwide system was set up under the International Electrotechnical Commission.

A Commerce official actively involved in the episode and an STR official commented that quicker reporting by the London post could have facilitated more effective representations to the governments involved. According to the STR official, a lack of Embassy reporting generally tends to render the Government dependent upon industry information, which may be limited in scope and oriented toward particular interests.

#### Analysis issues

The Multipartite Accord presented some unique problems for Government analysis, because it was not yet an NTB when official deliberations commenced in 1968, and it continues to undergo revisions within Europe, rendering any analysis of operations, negotiability, and trade effects necessarily tentative.

Generally, Government efforts to assess the operations and impact of the Accord despite the reluctance of European government sources to disclose information were intensive and resourceful. However, the U.S. Government did not ascertain the broad spectrum of industry interests and, with a limited information base, pursued negotiations with the Europeans. As a result, the Government remained uncertain about American interest in joining the Accord and industry desire and ability to take advantage of membership if secured.

#### EFTA Pharmaceuticals Convention

The EFTA Pharmaceuticals Convention is an agreement among EFTA members to recognize inspections of their pharmaceutical manufacturing by each other. Like the Multipartite Accord, the convention should aid trade within EFTA but may

impede U.S. exports unless the United States accedes to the convention.

#### Identification issues

A working party on pharmaceuticals was established in EFTA in 1966. The EFTA Council adopted general guidelines for the convention in April 1968, completed a draft in February 1969, and published the guidelines in September 1969. According to European officials, these developments proceeded with the general knowledge of interested governments though apparently without the knowledge of the U.S. posts.

The responsible EFTA posts did not report these developments, despite a State Department cable sent in July 1968 requesting European posts to report on all standards developments. The Government learned of the convention in June 1970 through an EFTA publication and requested the posts to report all developments and possible trade effects. The response from London suggested that the Washington cable was the first it had heard about the EFTA developments, and an April 1971 cable from the Embassy in Helsinki notes that "The Embassy recently learned of the Convention \* \* \*."

The initial efforts to collect information on the convention were made on the verge of the final EFTA agreement, which was signed in October 1970 and came into force in May 1971. The convention, described by STR as a potential NTB, has not been the subject of any further reports by the posts. One Commerce official admitted that it "fell between the slots." Another Commerce official involved in United States-British commercial relationships had little knowledge about, or interest in, the convention. An STR official expressed his amazement at the lack of Embassy or Washington action on the convention.

#### Analysis issues

The post reports were cursory and sporadic and contained little information on

--the probable EFTA interpretation of the accession clause,

- attitudes of individual EFTA members on U.S. accession,
- the impact of the EFTA-U.S. difference in standards on the ability of American products to receive certification,
- the effect a lack of certification would have on public and private purchases of American products, or
- appropriate strategies to protect U.S. interests.

State and Commerce did not obtain expert analysis of the convention's operations by the Commerce pharmaceutical specialists who were unaware of the convention's existence.

No attempt was made to elicit information or analysis from the industry's trade association, which knew a great deal about the convention but had not requested Government involvement.

A representative of a pharmaceutical trade association appeared knowledgeable about the convention's origins, its technical details, and economic implications. However, in noting that the association had not notified the Government or provided information about the convention, he suggested that this indifference might reflect the interests of the large number of pharmaceutical firms which had located manufacturing facilities abroad. Other interviews with Government officials revealed that an industry or association in which multinational firms predominate would be less concerned with exporting and might, in some cases, support the maintenance of NTBs affecting their American-based competitors.

The Government solicited expert analysis from the Food and Drug Administration in June 1971, 1 month after the Convention became effective, 12 months after the Government found out about the Convention and at least 4-1/2 years after EFTA initiated its efforts. The Administration's response, which identified certain U.S. administrative barriers to membership, was not forwarded to the responsible post to inform it more fully of the Convention and of Washington's interest.

As a result, the Convention has come into force with virtually no determination of its operations, effects, or negotiability. Representations have not been made to EFTA countries. European sources informed us that, despite the liberal accession clause, American membership in the immediate future would not be welcome because of EFTA's preoccupation with EC enlargement and might be jeopardized in the long run by discrepancies between EFTA and U.S. standards. The Food and Drug Administration indicated that membership might be prevented by U.S. administrative practice. The sources further noted that, although the initial goal is to facilitate intra-EFTA trade, the ultimate aim is to harmonize the pharmaceutical standards among EFTA members. This harmonization might further inhibit U.S. exports.

#### West German Consumer Packaging Ordinance

This ordinance is designed to implement the German Measuring and Gauging Law of 1969 by standardizing containers for liquid foods. It is also designed to conform to a draft EC directive on the same subject. In harmonizing German standards with other EC member standards, the ordinance may have a serious impact on U.S. exports because the standards being developed are inconsistent with U.S. standards.

According to State, strong efforts were being made to dissuade Germany from adopting regulations which will impinge on U.S. trade and, through close cooperation of the industry and Government experts, the problem is well on its way to being resolved.

#### Identification issues

Embassy reports indicated that the German legislature approved the ordinance in November 1971. The Embassy filed no reports before or during the period of deliberation although the post had reported on deliberations of the 1969 measuring law. The ordinance was reported to State and Commerce only after the industry association had warned about a possible embargo of U.S. can and glass container sizes of juices and juice products. By the time the Embassy provided responsible agencies with information, the ordinance had been adopted. Commerce and STR officials stated that the

post should have provided more timely reporting on this matter to enable representations to the German Government before legislative approval.

#### Analysis issues

In this case the post in Bonn did not recognize that the German Government had developed more restrictive legislation than the EC draft directive required. The post also misunderstood the relationship between the size standards and the means for meeting the German labeling requirement.

The Embassy's misunderstanding of the legislation precluded an estimation on trade damage which a trade association was prepared to make. The association required information on the German methods for converting American can sizes into metric equivalents. Because the post was unable to supply this information, the Government could not develop a damage estimate which may have facilitated representations to West Germany.

## EC standards harmonization

EC harmonization represents an ongoing effort to develop equivalent standards for numerous products, as a part of the EC goal of a common industrial policy. The approved standards are based on, though not identical to, recommendations of various international and regional standards organizations, including the International Organization of Legal Metrology or the International Standards Organization (in the case of measuring instruments) and the United Nations Economic Commission for Europe (in the case of automobile safety). The Commission considers and sometimes revises the recommendations of these organizations; the EC Council approves them; and the EC members implement them. The program has thus far resulted in 10 directives on automobile standards and 8 on weights and measures. This should stimulate trade within the EC but threatens to impede market access to countries which do not participate.

### Identification issues

The U.S. Mission to the EC has reported frequently to Commerce and State and to U.S. Embassies in the six EC member states on these directives as they have emerged from the EC Commission and Council. The Embassies in the original six EC member states, however, have not reported on implementation of the directives and their implications for U.S. exports. Furthermore, officials we interviewed in Paris and Bonn were not up to date on EC harmonization.

Washington officials were critical of the Embassies for neglecting to report these developments. A Commerce official confirmed that national implementation often involves important trade issues not necessarily evident during the EC decisionmaking process and that therefore Embassy reporting is required. Another Commerce official attributed the lack of reporting to poor followup on cables to Embassies from the U.S. Mission to the EC and asserted that the Embassies should provide such information on their own initiative. He added that Commerce and State should insist that the posts submit such reports. STR and State officials agreed that

the Embassies could and should have reported on national implementation.

Discussions with trade association officials indicated that until recently Government had not appeared very interested in identifying and analyzing these NTBs. An official of a large industry association described its system for closely monitoring the progress of EC directives through the International Organization of Legal Metrology, the various layers of EC bureaucracy, and EC member states. Its EC sources of information are extensive and the resulting volume and quality of information on the history, technical specifications, and trade effects of each EC directive appears impressive. According to the official, however, the U.S. Government has, until recently, displayed little interest in the program, in general, and in the initial drafting phase of EC directives, in particular. He observed that EC directives were most susceptible to alteration during the drafting phase and that an official expression of concern would have been most effective at this point.

The official explained that, because of apparent U.S. Government indifference to the implications of the program, the association until recently had not shared its information with the Government, although it had given limited technical information to STR and Commerce.

Another association concerned with EC harmonization of measuring instruments related a similar experience with the Government. This association also maintains its own sources of information on NTBs but advised us it had not sought Government help to confront trade barriers because the State Department, in particular, had been unresponsive to the industries' interests.

A Commerce specialist on European regional affairs explained the absence of Government response to the program by citing the lack of demand by the industries potentially affected.

The situation at State was comparable. In the European bureau assigned action on cables from the U.S. Mission to EC, one official was under the misimpression that implementing EC directives raised no new issues apart from



EC ratification process. Another official of the same bureau disclaimed active involvement in the harmonization issue, asserted that this was mainly a Commerce responsibility. Neither this official nor others in State's Trade Policy Division had communicated with the industry associations.

The Commerce Assistant Secretary for Science and Technology has acquired knowledge of the technical aspects of EC harmonization, largely as the result of close working relationships with the industry. However, very little of the accumulated expertise has been related to the trade implications of the EC program, and still less of the information filters down through Commerce and State.

### Analysis issues

Cables from the U.S. Mission to EC on this potential NTB have been mixed in the quality of the analysis. Automobile safety analyses have generally contained useful summaries of the directive's contents and the possible impact of technical specifications on U.S. exports. However, the material on weighing and measuring specifications, directives, and announcements was so technical that the post could only submit general summary comments. Therefore, the original EC documents were sent to Washington for further analysis by specialists and technicians there.

State and Commerce officials at the Washington level did not, however, perform needed analyses of this information. Commodity specialists in Commerce with the technical expertise to evaluate the impact of EC directives were not involved in this issue nor were they asked to contribute by trade policy officials. State and Commerce regional affairs specialists confirmed their lack of technical expertise and consequent inability to evaluate the operations of the EC program because input from the commodity specialists was lacking. This inability is particularly acute when Embassy officials do not describe the directives.

Various EC member posts had not analyzed or reported on the implementation of EC directives. Implementation raises issues not apparent during the EC ratification process. However, Embassy personnel did not fully recognize the

crucial relationship between the initial source of the directives, EC decisionmaking, and national implementation. Washington level officials did not contribute to any special efforts in this area either through their own efforts or through specific requests to the Embassies for needed input. The result of these limited efforts is a general lack of data about the operations and potential and actual effects of the EC program. Because of the potentially restrictive effects of EC's developing common industrial policy, of which standards harmonization is but a part, more thorough and coordinated efforts were needed.

Industry sources indicated that EC members, the French in particular, tend to ignore directives which may be inconvenient and may apply others differentially, depending on the origin of imports. Furthermore, the specifications themselves, as embodied in the International Organization for Legal Metrology recommendations and applied by EC members, are inconsistent with U.S. specifications.

Industry has only recently begun to close this gap in the Government's analysis as a result of more intensive efforts to solicit industry assessments of the EC program. Trade associations concerned with automobile safety and with measuring instruments have made information and analysis available to Commerce and plan to continue these efforts. In addition, Commerce is trying to improve its response to the EC program by communicating more closely with the posts and with industry. However, the Mission to the EC recently expressed concern over a lack of priorities in an airgram to State and requested specific guidance. The message was sent 6 months ago, but as of November 1973 neither State nor Commerce had responded.

The Industry input has been limited to highly technical aspects of the EC program rather than to the relevance of the technical specifications for U.S. exports. Trade representatives have complained about the continuing lack of a systematic Government-industry dialog on the technical specifications and trade implications of each directive as it emerges from the International Organization for Legal Metrology or EC.

## British Government procurement policy

During our review in London, we learned of an NTB which had not been reported. According to a British importer of American electronic systems, the British Government had successfully exerted pressure on him to drop consideration of a purchase of \$50,000 worth of electronic systems from an American firm for British Government use. The importer initially submitted a license application for duty-free importation to the British Government. On the basis of the application information, the British Government located a domestic manufacturer who could provide a similar product and instructed the importer not to buy from the American firm. As a result, the American firm lost a \$50,000 sale after it had incurred expense in developing the system specifically for this sale. The importer felt his experience suggested that British policy, though not explicit, is to locate local manufacturers if the prospective government purchase is expensive.

Another importer of electronic systems confirmed this policy, and informed us that, as a result of British preferences for domestic products, he will begin manufacturing in Britain rather than continuing to import from the United States. He added that he might sell his British-manufactured products on the American market.

The U.S. Embassy in London was uninformed about either the specific episode described above or the possible general use of duty-free import license procedures to implement British Government procurement policy. The Embassy was aware that the British system assured preferences for domestic manufacturers.

State advised us that it would not be desirable for the Embassy to devote scarce man-hours trying to identify specific instances of British action to limit government purchases of foreign products without an explicit request from Washington. Further GATT does not regulate government procurement and all governments, officially or unofficially, practice some buy-domestic policies. State commented that an approach to the British Government on this case or a similar case almost certainly would not favorably affect U.S. exports. State believes the only way to deal with

problems like this one is to continue efforts to negotiate agreed rules on government procurement, as the United States is doing in OECD.

We concur with these views but believe an information base should be used in such negotiations. Such information may be derived through existing efforts to maintain contacts in the private sector for general development and special purposes.

### INTERVIEWS

We interviewed (1) commercial and economic officials at Embassies and Missions and (2) officials of Commerce, State, STR, Treasury, the Office of Management and Budget, and the Council on International Economic Policy to develop our NTB case studies and seek broader explanations for problems in identifying and analyzing NTBs. Information relating specifically to the NTB cases is incorporated into our case descriptions. Other views of Government and business officials relevant to the issues in this report are summarized below and appear in appendix I.

We asked Embassy and Washington officials whether the Embassies were adequately informed of NTB priorities, Washington views on general trade issues, and specific NTB cases. Most of the officials, both in Washington and the Embassies, reported that NTB priorities were not sufficiently defined and Embassies were not kept fully informed on general trade issues and specific NTBs. Many of these officials also indicated that NTB instructions to the Embassies were not timely.

Most of the Washington officials said Embassies were not sufficiently active in seeking NTB data, whereas only a few Embassy personnel said they frequently contacted importers. Several Washington and Embassy officials said required periodic reporting responsibilities would limit the Embassies' ability to acquire NTB data but most Embassy officials did not comment on this possible problem.

We also sought views regarding the adequacy and availability of NTB information. According to most, Commerce

does not obtain sufficient information and Commerce and industry information is either unreliable or inconsistent.

According to a majority of Washington officials and industry representatives, Government has not been responsive to industry NTB concerns.

## Impact of reporting responsibilities

An embassy commercial officer complained that the many responsibilities in commercial reporting and export promotion occupied 85 percent of his time and prevented him from getting into the field to develop new NTB information. Officials of the office of Management and Budget who recently conducted extensive interviews in Europe expressed the conviction of Embassy personnel that commercial officers are required to meet too many responsibilities but are not informed of State and Commerce priorities among these numerous requirements. This uncertainty regarding these agencies' concerns induces reluctance within the posts to initiate NTB reports. Several other Commerce and embassy officials cited lack of time as a basic reason for the Embassies' difficulty in collecting NTB information and attributed the time pressure to existing reporting requirements.

## Communication of NTB priorities to Embassies

An Embassy official said that, to improve the timeliness of reporting, the posts needed a selective list of NTB categories of priority concern to State and Commerce. Such a list would have the added benefit of allowing the post greater flexibility and precision in assigning staff and would improve confidence and relevance in initiating reports.

Another Embassy official observed that Embassy response to inadequate guidance from State and Commerce is to drift and respond to complaints from local business or to cables from these agencies in a defensive and ad hoc manner.

An official in the EC Mission described his difficulty in obtaining from State and Commerce any indication of which NTBs warranted the considerable time necessary for analysis. As a result, the official felt uninformed about the agencies' concerns and priorities. He explained that, without specific instructions, he might give a brief overview of an NTB or merely convey the EC directive's text to Washington. Such lack of analysis delays Washington agency NTB consideration.

State Department officials were also critical of the guidance provided the posts as to priorities for work efforts. They noted the lack of a formal system for regularly informing posts on State and Commerce concerns. State desk officers identified the major impediment to thorough Embassy reporting on NTBs as lack of knowledge of the amount of detail and analysis Washington agencies desired. One of these officials, recently returned from an assignment abroad, stated that, without such direction, posts often refrained from reporting and analyzing potential NTBs of undetermined impact on U.S. exports. Although posts adhere to the Current Economic Reporting Program requirements to report NTBs, he said, the program does not assist Embassy personnel in deciding whether or how to report suspected NTBs. Another official, responsible for coordinating the program's directives to the posts, conceded that its lack of precision on NTB reporting responsibilities place burdens on posts to make their own decisions on reporting priorities, which may not relate to the concerns of the Washington agency end user. He observed also that imprecise NTB instructions may result in concentration upon less important, but more explicitly defined requirements.

The Office of Management and Budget survey of post attitudes on the adequacy of guidance noted that the program provides very little direction on NTB reporting and that priorities within the NTB categories--or on a country basis or by product affected--are absent.

#### Provision of general background and specific NTB data to the post

An Embassy official criticized State and Commerce for not routinely forwarding trade legislation, administrative reports, and Presidential decisions of obvious use and interest to him. He cited standards legislation, detailed information on the Domestic International Sales Corporation, and the Magnuson-Inouye and Hartke-Burke bills. A member of the American Mission to EC conveyed his feeling of isolation because Washington agencies did not react to his cables. He has no idea who receives the information he sends or whether it is responsive to Washington agencies' priorities or is merely read and then ignored. More frequent feedback of this sort would, he suggested, help him improve his own

reports. An official of the U.S. Mission to GATT who had filed a report on the EFTA Convention was unaware of the Food and Drug Administration's analysis of the Convention.

According to a Commerce trade specialist, the posts are not appraised of the status of deliberations on NTB issues but are merely presented with the end product in the form of instructions. Another Commerce official noted the absence of a system for keeping the posts informed of U.S. positions on various issues. A Commerce country specialist related the posts' sense of isolation to their ignorance of U.S. foreign economic policy priorities. State trade specialists recalled their experiences in foreign posts of not receiving routine but pertinent information from Washington agencies. They emphasized the failure to provide internal State documents or material on interagency deliberations which posts needed to comprehend the thinking behind instructions, to anticipate demands, and to assign personnel. They added that State was aware of the problem but had not dealt with it successfully.

Other State officials cited information dissemination to the posts as a serious problem reducing the posts' ability to (1) respond to foreign government representatives, (2) measure the utility of prior cables forwarded to Washington, or (3) anticipate future demands. An STR official corroborated these observations.

Finally, the Office of Management and Budget review found the posts lagging in their knowledge of trends and issues of significance in Washington because of the sporadic flow of data on policy discussions, legislation, administrative decisions, and other pertinent information.

#### Embassy role in soliciting NTB data from importers

An Embassy official, in denying that certain German restrictions were troublesome, cited the lack of importer complaints as evidence. He expressed confidence that importers did not hesitate to inform him of NTBs as soon as they became apparent. A commercial specialist in the same Embassy maintained that he only had to consider those NTBs identified through complaints from importers.



An Embassy agricultural representative commenting on the German liquid packaging legislation suggested that the industry was probably aware of the potential problem and was coping with it through its own devices. This, in his opinion, might explain but would not justify the lack of Embassy reporting.

We interviewed six importers; five were reluctant to initiate discussion on NTBs with American representatives. Some simply did not consider the Embassy a source of support for eliminating NTBs, whereas others feared government retaliation if they complained to a foreign embassy. The importers tended to adjust to prevailing market conditions rather than raise potentially disruptive issues with an Embassy which was seemingly uninterested in any case, but some importers were sufficiently candid to give us new information.

#### Role of Commerce commodity specialists in developing NTB data

One Commerce country specialist assured us that national implementation of EC standards posed no problem for U.S. exports. His assumption was based on the lack of complaints but it was contradicted by industry sources. Similar assumptions prevailed among other Commerce specialists. A trade specialist confirmed that virtually no one in Commerce was going to do anything about the EC program until industry complained.

Commerce trade specialists noted the difficulty of obtaining needed information from the commodity specialists and the handicap this could impose in diplomatic representations and discussions. Other officials were concerned that this information was usually exaggerated and that it overstated the industry position.

#### Government perceptions of industry information

Several Government officials asserted the need for close governmental scrutiny of industry information. They noted instances where descriptions of NTBs were exaggerated and observed that some industry suggestions for restrictive

action by the U.S. government were more extreme than was warranted.

### Industry perceptions of Government responsiveness

Several officials of trade associations were concerned by lack of Government interest with their NTB problems. Government officials are cognizant of these attitudes and cite them as one impediment in obtaining useful data from industry sources. An STR official described the lack of cooperation between industry and Government as perhaps the most serious problem the United States faces in gathering NTB information. A State Department official suggested more regular communication between industry and Government as a crucial element in developing adequate NTB information. A Commerce trade specialist, recently employed in private business, noted the industry impression that the information it does provide is filed away in some obscure corner of the bureaucracy, never to be seen or acted upon by trade policy officials.

### Representativeness of trade associations

Several Government officials noted that trade associations may not develop and articulate industrywide interests. According to one official, the Government does not know whether a given association is expressing a representative position and perhaps the Government should more closely scrutinize the organization of trade associations. An STR official stated his concern with this problem and added that greater information about the structure of various trade associations would help him in responding to the complaints of industry.

### AGENCY COMMENTS AND OUR EVALUATIONS

The Department of Commerce advised us that significant changes had recently been made in the system for identifying and analyzing NTBs to achieve a more rational NTB decision-making system.

--A joint STR-Commerce-Industry consultations program, initiated in June 1973, will provide the opportunity

and channel for improved communication and coordination with the U.S. business community. The program will eventually operate through standing advisory committees staffed by industry experts and policy-level officials. Great care is being taken to insure (1) the meaningful participation of all interested industry representatives and (2) the acquisition of technical-level input from industry at the earliest possible stage. The Secretary of Commerce and the President's Special Trade Representative have underscored their personal commitment to the development of an effective Government-industry dialog. Commerce plans to supplement and support the advice and estimates from the consultations program through revised procedures for specific NTB areas.

- The multilateral trade negotiations, begun in September 1973, have provided the impetus and have become the focal point for treating all NTBs and other trade obstacles in a comprehensive framework. The onset of such general negotiations not only calls for more continuous Government-industry dialog but also provides the unique motivation required to enlist the arduous and time-consuming participation of industry.
- A new system was being established (August 1973) for reviewing trade policy implications of the EC Standards Harmonization Program. Commerce expects this system will include (1) improved post reporting of developments, (2) guidelines for the contents of such reporting, and (3) a regularized system for acquiring technical analysis of likely trade effects from U.S. industry as well as Government industry and technical experts.

The Department of State commented:

- The very cases described in the report led the United States to initiate an effort to draft under GATT auspices, a multilateral standards code to submit to governments which would prevent the adoption of standards discriminating against trade.

- The Economic Intelligence Committee plans to initiate current and long-range reporting guidance and alert lists to posts on Washington information needs.

We believe these efforts, if fully implemented may mitigate the problems noted in this report. Our review showed the need to coordinate and direct the input from Commerce, State, trade associations, industry, and overseas missions. This will better insure identifying and analyzing NTBs without duplicating effort and will minimize demands being made on limited staffing at overseas Missions.

State further commented:

- Other work requirements limit the amounts of time available for cognizant Embassy officials to work on NTBs.
- Missions cannot be staffed with enough people having the high degree of specific technical product and industry knowledge to analyze all cases involved in making valid estimates of trade damage caused by such standards; similarly the posts cannot determine the impact of standards on U.S. industry.

We concur with this view but believe that Washington guidance and support can enhance the capacity to analyze complex and technical NTBs. In such instances, officials at the Washington level must provide the technical expertise lacking at the mission.

We believe that better use may be made of Embassy resources if State and Commerce give the Embassies more specific instructions on what NTBs should be analyzed in detail and what input is desired. Efforts to identify new NTBs should continue, but further input should be in response to specific directions from State and Commerce. Uncertainty as to the usefulness of input induces hesitancy among U.S. Embassy officials to report and analyze NTBs. Embassies receive guidance but believe it needs to be related in more specific terms to NTBs identified for priority attention.

- State contends it has a number of effective procedures for providing a great deal of information to

the field. Department offices have made serious efforts to increase the policy background and economic material flow to posts abroad. Policy statements on commercial objectives and programs have been given to posts to keep them up to date on Washington developments.

We agree but believe that additional efforts are needed to keep the posts informed of broad policy and specific NTB developments affecting U.S. relationships with the host countries.

--State notes that U.S. participation in the EFTA Pharmaceuticals Convention would have been prevented by U.S. practices and policies in this area.

Although the scope of this report does not concern itself with the adequacy of agency resolution of NTBs we believe that any U.S. response to NTBs should be based on timely identification and analysis.

--Commerce agrees that the commodity specialists should contribute more fully to the Department's needs in the international areas. Commerce states that, to this end, it has already taken several steps to improve cooperation, including specific studies of U.S. trade implications of NTBs and direct involvement of the commodity specialists in the first stage of the industry consultations program. Commerce notes that even closer coordination will occur in the remaining consultations' stages, since these specialists will have a continuing role in the entire program and the overall multilateral trade negotiations process.

## CONCLUSIONS AND RECOMMENDATIONS

The five NTB cases we reviewed and our interviews with Government and industry officials indicated the need for improvements in identifying and analyzing NTBs. In particular the headquarters agencies need to better identify the categories of analyses and levels of detail required in NTB reporting and to more fully provide the Embassies with relevant priority direction and background material. Such

improved guidance should reduce the hesitancy we found among U.S. Embassy officials to report and analyze NTBs.

Input from U.S. overseas missions needs to be coordinated with Washington agencies' efforts to obtain and analyze information from industry sources. Our review indicates a need to continue to improve consultative procedures with private industry and trade associations.

The structure and interests of U.S.-based industries, trade associations, and U.S.-owned investments in foreign countries need to be evaluated to assist in determining NTB priorities and selecting product areas for detailed development. This effort will also facilitate delineation of industry sources whose interests may best be expected to encourage cooperation in providing the informational input required to analyze NTBs. This approach will, we believe, resolve the problem noted by some Government officials that the information available to U.S. officials on a particular NTB may not be representative of industrywide interests. The commitment of Commerce to provide for increased assistance from Commerce commodity specialists to analyze NTBs will also facilitate these efforts.

Such actions would permit a more systematic effort to tap all available expertise (U.S. posts, foreign importers, U.S. exporters, Commerce commodity specialists, etc.), which would allow the Government to reach more valid and useful estimates of trade impact. Such an effort would help establish rational priorities.

We conclude that, as a result of problems in collecting and analyzing NTB data, diplomatic representations designed to prevent or eliminate NTBs may not be as effective as they could be, in terms of timing, direction, and substance. The importance of adequately identifying and analyzing NTBs is increased by major multilateral negotiations on NTBs which opened in September 1973 among the major trading nations of the world.

Despite the importance of adequate information, the ultimate results of NTB negotiations will depend largely on the degree of commitment to reducing NTBs demonstrated by foreign countries and, given the reciprocal nature of the

international negotiations, the willingness of the United States to negotiate comparable concessions on its NTBs.

In consonance with the corrective actions proposed on pp. 33 and 34, we recommend that the Secretaries of State and Commerce, in consultation with the Special Trade Representative:

- Increase efforts to identify NTBs through Embassy, industry, and other available sources. Embassies should be kept informed of broad policy and specific NTB developments to facilitate these efforts.
- Identify priority NTBs and give reporting instructions to the Embassies, in each case specifying the reporting time frame, level of detail, and modes of analysis required. Embassy input should include information on volume of U.S. exports affected, the NTB impact, new NTBs revealed during these investigations, foreign government attitudes and policies, and potential for relief. This input should complement information obtained from industry and other sources.
- Improve consultative procedures with private industry and trade associations and insure that the information base is representative of industry interests.

SUMMARY OF INTERVIEW INFORMATION

Issues raised in interviews	Affiliation of interviewees								
	Replies	Overseas Missions	Commerce	Council on International Economic Policy	State	STR	Treasury	Office of Management and Budget	Industry
Communication of NTB priorities to Embassies:									
Priorities are not sufficiently defined, impeding post reporting	23	11	3	1	6			2	
Priorities are sufficiently defined for bilateral trade issues, but not for multilateral negotiations	1		1						
Receipt of NTB instructions is not timely	11	3			5	1		2	
Communication of NTB priorities is no problem	5	5							
Provision of background information and specific NTB data:									
Post is not kept fully informed of current Washington thinking on general trade issues or specific NTB data	23	11	3		6	1		2	
Post generally kept informed on NTB issues	4	4							
Embassy role in soliciting NTB data from importers:									
Embassies are not sufficiently active in seeking NTB data	18		7		5	3		2	1
Embassies maintain frequent contacts with importers	3	3							
No comment or not responsive	6	3	1						2
Impact of required periodic reporting responsibilities:									
Limits post officials' abilities to acquire NTB data	7	2	1	2	2			2	
Recent improvements have lessened burden	2								
No comment or not responsive	11	10			1				
Commerce role in developing NTB data:									
Commodity specialists need to do more to seek NTB data from private industry	14		12		2				
Commodity specialists do not provide reliable data to trade negotiators	7		3		3	1			
Commodity specialists are active in developing NTB data	4		3			1			
No comment or not responsive	2			2					
Government perceptions of industry information:									
Industry does not provide reliable or consistent NTB data	20	5	7	2	3	2	1		
Industry data is generally reliable	2	2							
Industry perceptions of Government responsiveness:									
Government has not been responsive to industry NTB concerns	8		3		1	1			3
Government responsiveness is improving	1								1
Government responsiveness is adequate	2								2
No comment or not responsive	4								4



APPENDIX II

PRINCIPAL OFFICIALS

RESPONSIBLE FOR ACTIVITIES DISCUSSED IN THIS REPORT

<u>Tenure of office</u>		
	<u>From</u>	<u>To</u>

DEPARTMENT OF COMMERCE

SECRETARY OF COMMERCE:

Frederick B. Dent	Feb. 1973	Present
Peter G. Petersen	Feb. 1972	Feb. 1973

UNDERSECRETARY OF COMMERCE:

John K. Tabor	June 1973	Present
James T. Lynn	Apr. 1971	Feb. 1973

DEPARTMENT OF STATE

SECRETARY OF STATE:

Henry A. Kissinger	Sept. 1973	Present
William P. Rogers	Jan. 1969	Sept. 1973

DEPUTY SECRETARY OF STATE:

Kenneth Rush	Feb. 1973	Present
John N. Irwin	Sept. 1970	Feb. 1973

OFFICE OF THE SPECIAL REPRESENTATIVE  
FOR TRADE NEGOTIATIONS

SPECIAL REPRESENTATIVE FOR TRADE  
NEGOTIATIONS:

William D. Eberle	Nov. 1971	Present
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DEPUTY SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS:

William R. Pearce	Feb. 1972	Present
Harald B. Malmgren	May 1972	Present

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