

Canadian Statement to GATT Council
Re: Customs User fees

The United States Government as part of the Omnibus Budget Reconciliation Act of 1986 has imposed a customs user fee on imports entering the USA. The fee charge is set on an ad valorem basis. The Government of Canada strongly objects to the imposition of this so-called customs user fee. By this action we consider that the USA Government has put in place an import surcharge under the guise of a customs user fee. We deplore this action particularly as it comes on top of the earlier imposition of other customs user fees for processing the arrival of trucks, planes, boats etc in the USA. These measures can only be seen as a retrograde step at a time when we are seeking to liberalize trade and improve the trading environment. Rather than moving forward this action could force USA trading partners to take similar action.

Article VIII(1)(a) clearly states that any fees imposed shall be limited to the approximate cost "of services rendered". We strongly believe that the imposition of fees on an ad valorem basis does not correspond to the costs of providing the service of processing the import of a product.

We consider that the USA's imposition of this so-called "customs user fee" is not consistent with the provisions of GATT Article VIII(1)(a). We, therefore, call upon the USA Government to withdraw or suitably amend their customs users fee schedule.

I wish to inform you that the Government of Canada has requested consultations with the Government of the USA under GATT Article XXIII(1) on this matter.