

Article XXVIII on Tobacco

The bill authorizes the President to proclaim tariff increases on certain tobacco products up to 350% ad valorem above established rates provided that the President proclaims a tariff rate quote pursuant to Article XXVIII of the GATT. It is expected that Canada and Mexico will be excluded from this action.

Report on Canadian Dairy and Poultry Markets

The bill contains a provision requiring the President, not later than six months after the date of entry into force of the WTO Agreement with respect to the U.S., to submit a report to Congress on "the extent to which Canada is complying with its obligations under the Uruguay Round Agreements with respect to dairy and poultry products and with its related obligations under the North American Free Trade Agreement."

The SAA also includes language stating that although WTO members may replace non-tariff barriers with tariff equivalents without violating their WTO obligations, "the NAFTA imposes independent obligations governing the tariffs that NAFTA countries may apply to imports of North American origin goods [and the NAFTA] requires that all tariffs applied to those goods be eliminated over time". This language is also clearly directed at Canada's supply management tariffification.

SANITARY AND PHYTOSANITARY MEASURES

The Sanitary and Phytosanitary Agreement (SPS) establishes a number of procedures and requirements to ensure that a sanitary and phytosanitary measure is actually intended to protect against the risk asserted, rather than serve as a guise for a trade barrier.

The legislation makes provision for improved public information on product standards, and details conforming amendments to animal and plant health laws administered by the Department of Agriculture.

The SAA asserts that the Agreement does not result in the lowering of sanitary and phytosanitary protection in the U.S.

INTERNATIONAL STANDARD SETTING ACTIVITIES

These provisions set out the regulatory and administrative requirements for the determination of the equivalence of sanitary and phytosanitary measures of a foreign country to those in U.S. law and regulation.