

Brussels, 17 December 2018 (OR. en)

7881/98 DCL 1

**ECO 126** 

#### **DECLASSIFICATION**

of document: ST 7881/98 RESTREINT

dated: 28 April 1998

new status: Public

Subject: MRA negotiations with certain third countries

Delegations will find attached the declassified version of the above document.

The text of this document is identical to the previous version.

7881/98 DCL 1 kal

SMART 2.C.S1

7881/98
RESTREINT
ECO 126

#### **OUTCOME OF PROCEEDINGS**

of :113 Committee Technical Group (Mutual Recognition Agreement (<u>MRA</u>) Negotiations) on :6 April 1998

No. prev. doc.: 6951/98 ECO 81

Subject: MRA negotiations with certain third countries

# I. INTRODUCTION

At its meeting on 6 April 1998 the Technical Group discussed the following issues:

- proposals for Council decisions regarding the conclusion of the MRAs with the United States, Canada, Australia and New Zealand;
- the state of play of negotiations with the US on fasteners and veterinary products;
- Switzerland: latest developments;
- Japan: outcome of technical contacts.

# II. PROPOSALS FOR COUNCIL DECISIONS REGARDING THE CONCLUSION OF THE MRAS WITH THE UNITED STATES, CANADA, AUSTRALIA AND NEW ZEALAND

# 1. General aspects

<u>The Chairman</u> reported on the outcome of the discussions held by the 113 Committee (Deputies) at its meeting on 3 April 1998 regarding the procedure to be followed for the signature and conclusion of the Agreements with Australia, New Zealand, the United States and Canada

<u>The Commission representative</u> informed <u>the Group</u> that the proposal for a Council decision regarding the conclusion of the MRA with Canada would be forwarded to the Council by the end of April 1998. A Commission services note on the outcome of the negotiations with Canada on the issues pending in the medical devices and telecommunications sectors was circulated to <u>delegations</u>.

A revised version of the sections listing the Designating Authorities in the Sectoral Annexes in the four MRAs was also made available to the Group. <u>The Commission representative</u> invited all delegations to verify and complete the information concerning their national Designating Authorities.

Responding to the French delegation, he added that:

- the agreements would not in themselves have any impact on Community legislation and would therefore not involve changes to that legislation;
- Article 3 of the agreements provided that the Commission would represent the Community in the Joint Committee. As Member States would be consulted to a large extent, the Commission did not see any need to formally provide for Member States' participation;

 any decision concerning the extension of the scope and coverage of the agreements would have to be taken by the Council, in accordance with the usual procedures.
 Statements have been made providing for future negotiations on pressure equipment with Australia and New Zealand and on fasteners and veterinary products with the US.

## 2. Agreements with Australia and New Zealand

<u>The Belgian and Spanish delegations</u> forwarded written remarks and corrections to the agreements concerning the reference to their Designating Authorities.

<u>The Italian delegation</u> reiterated its concerns that the lists of the Designating Authorities had still not been forwarded by Australia and New Zealand. <u>The Commission representative</u> stressed that in any case the agreements would only enter into force once the relevant information would appear in the Sectoral Annexes.

The French delegation was concerned that the removal of the clause of origin in the USA and Canada agreements would give new arguments to Australia and New Zealand for their request for its suppression. It suggested that consistency should at least be ensured with the provisions regarding territoriality as laid down in the agreements with the US and Canada. It further raised the issue of the extension of coverage of the Agreements with Australia and New Zealand to pressure equipment and to aircraft airworthiness. The Commission representative said that the issue of the extension to pressure equipment would be discussed at the first meeting of the Joint Committee on the basis of the new directive. Negotiations with a view to developing a sectoral annex on aircraft airworthiness were also expected in the near future once a decision regarding the implementation of the revised SAR 145 had been taken by the Council.

<u>The Italian, Netherlands and Swedish delegations</u> entered a linguistic reservation on the text of the agreements.

#### In conclusion, the Chairman:

- noted that the Group agreed on signature of the agreements subject to linguistic reservations and invited <u>delegations</u> to inform the Secretariat of any problem they might have regarding the substance before 22 April 1998;
- invited <u>delegations</u> to put forward any linguistic remarks before 22 April 1998 with a view to the Legal-Linguistic meeting on 23 and 24 April 1998.

### 3. Agreements with the United States and Canada

Following a question raised by the Spanish delegation, the representative of the Council Legal Service explained that the fact that the agreement also covered non-harmonised sectors did not mean that it should be of mixed competence as its only objective was to facilitate international trade. As such, it fell within the Community's exclusive competence, independently of the nature of the sectors covered, as provided by Article 113 of the Treaty.

The Italian delegation, supported by the French delegation, said that strong doubts had been raised by the Italian federation of producers of electrical equipment regarding the economic interest of the agreement with particular regard to the low voltage sector. While agreeing with the Italian delegation, the Swedish delegation felt that even if the agreement only brought a partial solution to market access problems in this sector, it would nevertheless allow for an improvement to the current situation. Further progress would have to be made through cooperation on a voluntary basis.

<u>The Commission representative</u> recalled that the industry favoured the harmonisation of technical requirements, something which fell beyond the 1992 Council's negotiating mandate. He pointed out that the agreement would allow for a significant improvement given that the sector was to a large extent more deregulated in the Community than in the US.

Following a remark by the German delegation, he also confirmed that the transitional periods would only start once the US had provided the list of their Designating Authorities. Finally, responding to the French delegation, he further added that no changes would have to be introduced into Community legislation in the pharmaceutical sector for the purpose of implementing the agreement.

Stressing the importance of the agreement for the Finnish industry, in particular in the electrical sector, <u>the Finnish delegation</u> considered that the procedures applicable at sub-federal level would have to be clarified.

# In conclusion, the Chairman:

- invited <u>all delegations</u> to send any remarks regarding both the substance and linguistic versions of the agreement with the United States to the Secretariat before 22 April 1998 so that the <u>Technical Group</u> could agree on signature at its next meeting on 4 May 1998;
- announced that the discussion on the agreement with Canada would take place on 4 May 1998 and encouraged delegations to forward any comments before that date;
- said that the <u>Technical Group</u> would also discuss the proposals for decisions regarding the conclusion of the agreements on 4 May 1998.

- 5 -

# III. STATE OF PLAY OF NEGOTIATIONS WITH THE US ON FASTENERS AND VETERINARY PRODUCTS

<u>The Commission representative</u> circulated a note regarding the outcome of the latest negotiations with the US together with two draft sectoral annexes. He invited <u>delegations</u> to comment on the draft sectoral annex for veterinary products before the next negotiating round, on 28 April 1998.

### IV. SWITZERLAND: LATEST DEVELOPMENTS

<u>The Commission representative</u> made available a note on the outcome of the meeting of 9 March 1998 with Switzerland. It was agreed that this item would be discussed at the next meeting.

# V. JAPAN: OUTCOME OF TECHNICAL CONTACTS

<u>The Commission representative</u> reported on the outcome of technical discussions regarding the scope and coverage of products falling within the telecommunications terminal equipment sector on the basis of a note forwarded to the <u>Technical Group</u>. He announced that further discussions were planned in the week beginning 25 May 1998.

#### VI. ANY OTHER BUSINESS

#### 1. CEECs: Draft Model Protocol on conformity assessment

<u>The French, German and Swedish delegations</u> expressed concerns about the interpretation to be given to Article 4 of the draft model protocol. <u>The French delegation</u> suggested that a new article be added'stating that the Commission will assess the functioning of the standardisation, certification and accreditation structures of the CEECs and will submit draft conclusions to the Council.

7881/98 DG C II

<u>The Commission representative</u> said that the results of the assessment would be forwarded to the Council before signature of the Agreements and that a new article would therefore not be necessary.

The French and Swedish delegations announced that they would circulate written comments.

<u>The German delegation</u> further requested that a German version of the draft model protocol be made available and considered that Article 9 should be clarified.

### 2. Hungary and Russia

<u>The Swedish delegation</u> circulated information regarding changes in the Hungarian legislation on electrical products and concerning the Understanding on certification with Russia.

3. <u>WTO survey on standards- and conformity-related matters for information technology products</u>

<u>The Commission representative</u> made available a note to the 113 Committee regarding the draft EC reply.

#### 4. Korea

<u>The Commission representative</u> made an oral report on a seminar held in Korea on conformity assessment procedures and announced that a second seminar would take place in July 1998, in Brussels.

\_\_\_\_\_

- 7 -