

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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UNITED STATES - CUSTOMS USER FEE

Recourse to Article XXIII:2 by Canada

The following communication dated 19 February 1987 has been received from the Permanent Mission of Canada with the request that it be circulated to contracting parties and that the matter be placed on the Agenda of the Council meeting scheduled for 4 March 1987.

As part of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended in 1986, the United States Government imposed a customs user fee, set on an ad valorem basis, on imports as of 1 December 1986. Canadian authorities consider that the imposition by the United States of this customs user fee on an ad valorem basis does not correspond to the cost of providing the service of processing the import of a product and results in revenues not commensurate with the cost of services rendered. It is the Canadian Government's view that this fee is applied in a manner not consistent with the provisions of the GATT, in particular Articles II(2)(c) and VIII(1)(A).

Consultations have been held with the United States under Article XXII:1 of the General Agreement on 17 December 1986 and 19 February 1987 but have not resulted in a satisfactory resolution of the matter. Accordingly, Canada hereby requests that the Council establish a panel to examine the matter and to make such findings and recommendations as may be appropriate.