

JAPAN - MEASURES AFFECTING DISTRIBUTION SERVICES

Request for Further Consultations by the United States

The following communication, dated 20 September 1996, from the Permanent Mission of the United States to the Permanent Mission of Japan and to the Dispute Settlement Body, is circulated at the request of the United States.

My authorities have instructed me to request further consultations with the Government of Japan under Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and Article XXIII:1 of the General Agreement on Trade in Services (GATS) regarding measures affecting distribution services, applied by the Government of Japan pursuant to or in connection with: the Law Concerning Enterprise Reform for Specified Industries, No. 61 of 1995; Special Measures for Improvement of Commerce Integration, No. 82 of 1991; Temporary Measures for the Improvement of Specified Facilities by Utilizing the Abilities of Private Enterprise, No. 77 of 1986 (*Minkatsu Ho*); the Law to Adjust Business Activities of Large Enterprises in Order to Secure Business Opportunities for Small and Medium-Sized Enterprises, No. 74 of 1977 (*Bunya Ho*); the Small and Medium-Sized Retailers Promotion Law, No. 101 of 1973; the Law Concerning Special Measures for the Adjustment of Retail Business, No. 155 of 1959 (*Shocho Ho*); the Law Concerning the Organization of Small and Medium Enterprises, No. 185 of 1957; and related legislation, regulations and administrative guidance.

This request for consultations supplements the United States' prior request of 13 June 1996 (WT/DS45/1), concerning the Law Pertaining to Adjustment of Business Activities of the Retail Industry for Large Scale Retail Stores, No. 109 of 1973 (*Daiten Ho*), for which consultations were held on 10 July 1996.

The United States considers that, through the measures identified in this request and in the request of 13 June, the Government of Japan fails to carry out its obligations and specific commitments under Article III, Article VI, Article XVI, and Article XVII of the GATS. The United States also considers that these measures nullify or impair benefits accruing to the United States directly or indirectly under the GATS, within the meaning of Article XXIII:3. The United States reserves the right to raise additional factual claims and legal matters during the course of the consultations.

We look forward to receiving your reply to this supplemental request and to fixing a mutually convenient date for the further consultations.