

Original: English

EUROPEAN COMMUNITIES - DUTIES ON IMPORTS OF GRAINS

Request for the Establishment of a Panel by the United States

The following communication, dated 26 March 1997, from the Permanent Mission of the United States to the Dispute Settlement Body, is circulated at the request of the United States.

---

The European Communities ("EC") have adopted a reference price system to use in determining the duties applicable to imports of grains (wheat, rye, barley, corn, sorghum and rice). These measures are included in Commission Regulation Nos. 1502/95 (L147/13), 1817/95 (L175/23), 1906/95 (L182/9), 1573/95 (L150/53), and 1818/95 (L175/25), and other relevant citations.

These measures appear to result in the application of higher rates of duties to shipments of U.S. grains than is permitted under the EC WTO tariff schedule and to discriminate against U.S. exports of grains. These measures appear to be inconsistent with the obligations of the EC under the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") and the *Agreement on Implementation of Article VII of the GATT 1994*, particularly in light of the so-called "margin of preference" tariff binding undertaken by the EC. The provisions of these agreements with which these measures appear to be inconsistent include, but are not limited to, the following:

- (1) GATT 1994, Articles I, II, VII and X; and
- (2) Agreement on Implementation of Article VII of the GATT 1994, Articles 1 through 9, 11, 22 and Annex I.

These measures also appear to nullify or impair the benefits accruing to the United States directly or indirectly under the cited agreements, including within the meaning of GATT 1994 Article XXIII:1(b).

In a communication dated 19 July 1995 (WT/DS13/1), the Government of the United States requested consultations with the EC regarding these measures pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU"), Article XXIII of the GATT 1994, and Article 19 of the Agreement on Implementation of Article VII of the GATT 1994. Consultations were held on 13 September 1995, but to date the dispute remains unresolved.

Accordingly, the United States respectfully requests the establishment of a panel to examine the matter with standard terms of reference as set out in Article 7 of the DSU.

The United States asks that a meeting of the Dispute Settlement Body be convened within 15 days of the date of this letter to consider this request for the establishment of a panel.