

CHILE – TAXES ON ALCOHOLIC BEVERAGES

Surveillance of Implementation of Recommendations and Rulings

*Appointment of Arbitrator under Article 21.3(c) of the
Understanding on Rules and Procedures Governing the Settlement of Disputes*

The following communication, dated 27 March 2000, from the Permanent Mission of Chile and the Permanent Delegation of the European Commission, to the Director-General, is circulated pursuant to Article 21.3(c) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes*.

We refer you to the communication from Chile, dated 15 March 2000, requesting binding arbitration under Article 21.3(c) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (the "DSU") to determine the reasonable period of time for Chile to implement the recommendations and rulings of the Dispute Settlement Body (the "DSB") in the matter, *Chile – Taxes on Alcoholic Beverages*, adopted 12 January 2000.

The Parties to the dispute, Chile and the European Communities, have agreed on an arbitrator, pursuant to footnote 12 to Article 21.3(c) of the DSU: Mr. Florentino Feliciano. We are writing to request you to officially convey to Mr. Feliciano our agreement that he act as arbitrator in this matter. We would also appreciate that he be assisted in his functions, as arbitrator under Article 21.3(c) of the DSU, by the staff of the Appellate Body Secretariat.

With respect to the time-period for this binding arbitration, Article 21.3(c) of the DSU requires that the reasonable period of time for implementation be determined through binding arbitration within 90 days after the date of adoption of the recommendations and rulings by the DSB. As the Panel and Appellate Body Reports in this dispute were adopted on 12 January 2000, this 90-day period is about to expire. We, the Parties to this dispute, have agreed to extend the period of time for this binding arbitration until 31 May 2000. We have agreed that the award of the arbitrator, made no later than 31 May 2000, shall be deemed to be the award of the arbitrator for the purposes of Article 21.3(c) of the DSU in determining the reasonable period of time for Chile to implement the recommendations and rulings of the DSB.

We are grateful for your assistance in this matter.
