

**UNITED STATES – SUBSIDIES ON UPLAND COTTON**

Communication from Brazil

The following communication, dated 25 August 2008, addressed to Mr. Darius Rosati, the Chairman of the Arbitrator, has been received from the delegation of Brazil.

---

1. On 4 July 2005, Brazil requested authorization from the Dispute Settlement Body ("DSB") to take countermeasures in connection with the dispute *United States Subsidies on Upland Cotton* (WT/DS267/21). As the United States objected to Brazil's request on 14 July 2005 (WT/DS267/23), the matter was referred to arbitration pursuant to Article 22.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes and Article 4.11 of the Agreement on Subsidies and Countervailing Measures.

2. In a letter dated 18 August 2005, addressed to the Chairman of the Arbitrator in accordance with paragraph 3 of the "Agreed Procedures under Articles 21 and 22 of the Dispute Settlement Understanding and Article 4 of the SCM Agreement in the follow-up to the dispute *United States - Subsidies on Upland Cotton* (WT/DS267)" (WT/DS267/22), Brazil and the United States jointly requested that the arbitration proceedings were suspended until Brazil subsequently requested their resumption (or termination) in accordance with the terms" of the "Agreed Procedures".

3. On 20 June 2008, the DSB adopted the reports of the Article 21.5 compliance panel and the Appellate Body (WT/DS267/37), which found that measures taken by the United States to comply with the recommendations and rulings of the DSB in this dispute were inconsistent with the covered agreements. Upon instructions from my authorities, and in accordance with paragraph 10 of the "Agreed Procedures", I hereby request the resumption of the above-mentioned arbitration proceedings.

---