

EUROPEAN COMMUNITIES - DUTIES ON IMPORTS OF GRAINS

Request for the Establishment of a Panel by the United States

The following communication, dated 28 September 1995, from the Office of the United States Trade Representative to the Chairman of the Dispute Settlement Body is circulated at the request of that Delegation.

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 be inconsistent with the obligations of the EC under the General Agreement on Tariffs and Trade 1994 and the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 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) General Agreement on Tariffs and Trade 1994, Articles I, II and VII; and
- 2) Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, Articles 1 through 7 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.

On July 19, 1995, the Government of the United States requested consultations regarding these measures with the EC pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), Article XXIII of the General Agreement on Tariffs and Trade 1994, and Article 19 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994.

Consultations were held on September 13, 1995, but have failed to settle the dispute. Accordingly, the United States respectfully requests the establishment of a panel to examine this matter in light of the relevant provisions of the cited agreements and to make such findings as will assist the Dispute Settlement Body in making the recommendations or in giving the rulings provided for in those agreements.

The United States further request that this request for the establishment of a panel be inscribed on the agenda of the meeting of the Dispute Settlement Body on October 11, 1995.