



**Dispute Settlement Body
11 April 2019**

MINUTES OF MEETING

HELD IN THE CENTRE WILLIAM RAPPARD
ON 11 APRIL 2019

Chairpersons: H.E. Ms. Sunanta Kangvalkulkij (Thailand)/H.E. Dr David Walker (New Zealand)

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1 ELECTION OF CHAIRPERSON

1.1. The outgoing Chairperson said that before moving on to the election of the DSB's new Chairperson, and in the tradition of her predecessors, she wished to say a few final words. It had been her great honour and privilege to have been entrusted by Members to chair the DSB. Since she had taken over the position of Chairperson following in the footsteps of Ambassador Junichi Ihara of Japan in March 2018, she had witnessed Members' remarkable reliance on the WTO dispute settlement mechanism. Members had filed new panel requests, with an unprecedented number of panel requests having been filed in October and November 2018. In total, the DSB had agreed to establish as many as 33 panels since she had assumed this role in March 2018. The increased reliance on the WTO dispute settlement mechanism demonstrated continued belief and trust in the multilateral rules-based trading system. Indeed, the DSB had been one of the most active decision-making bodies in the WTO. It appeared to her that the regular work of the DSB had been efficiently run in a very well-organized manner. She believed that this tradition should be preserved and should continue, given the importance of this Body and its indispensable role in the success of the WTO dispute settlement system. At the same time, the DSB and the WTO dispute settlement mechanism were facing unprecedented challenges with a far-reaching effect for the Organization. She recalled that in 2018, she had carried out informal consultations on the issue of the possible reappointment of one Appellate Body member, whose term of office was to expire on 30 September 2018. Unfortunately, the DSB had been unable to agree to reappoint that Appellate Body member. It was also regrettable that no consensus had been reached to launch new selection processes to replace four Appellate Body members. She thanked all delegations that had been taking up initiatives, sharing ideas and participating in those discussions constructively, either in the DSB or during the informal consultations. Certainly, there were areas that could be improved and

strengthened in order for the system to better meet the great expectations of the WTO Membership. She encouraged all Members to continue their engagement with a solution-oriented spirit under the leadership of her competent successor. As the Chairperson of the General Council, she would keep working closely with the DSB Chairperson and all delegations towards a solution to the current situation. Last but not least, she wished to extend her gratitude to the WTO Secretariat for constant support and excellent collaboration throughout the year. At this point, she wished to express her deep appreciation to Mr. Victor do Prado, Director of the Council and TNC Division for his insightful advice and Ms Bozena Mueller-Holyst for her tremendous efforts in assisting her in the conduct of meetings month after month with such ease. The outgoing Chairperson also wished to extend her appreciation to the interpreters for their support and flexibility.

1.2. Finally, the outgoing Chairperson recalled that, as Members were aware, at its meeting on 28 February 2019, the General Council had taken note of the consensus on a slate of names for Chairpersons to a number of WTO bodies including the Dispute Settlement Body. On the basis of the understanding reached by the General Council, she proposed that the DSB elect by acclamation Ambassador David Walker of New Zealand as the new Chairperson of this Body.

1.3. The DSB so agreed.

1.4. The incoming Chairperson wished to begin by thanking Members for their trust and confidence in appointing him to this position. It was a great privilege and honour to have this role, but also a great responsibility. He hoped that he could adequately repay Members' trust and confidence in the discharge of his responsibilities in this role, following in the very fine footsteps of Ambassador Sunanta. He then invited delegations wishing to make statements under this Agenda item to raise their flags.

1.5. The representative of the United States said that as someone who had spent a fair amount of time over the past year at DSB meetings, he simply wished to extend his thanks to Ambassador Sunanta for her able service and for her fair-mindedness over the past year. The United States wished her much success in her new role as General Council Chair. The United States welcomed Ambassador Walker to the Chairmanship of the DSB and wished him the very best of luck.

1.6. The representative of the European Union said that his delegation wished to thank the outgoing Chairperson for her work during the past year, including her efforts to address the current crisis related to Appellate Body appointments. The EU also wished to warmly welcome the incoming Chairperson. The EU wished him well in this important and challenging role. In these difficult times, it was all the more important that the DSB continue to properly exercise its functions as envisaged by the DSU. The EU trusted in the incoming Chairperson's ability to ensure that and said that he could count on the EU's full support in that regard.

1.7. The representative of China said that his country wished to thank Ambassador Sunanta for her excellent leadership and hard work as the DSB Chairperson. During the previous year, the DSB had been called upon to discuss and debate a variety of systemically important matters. Amid rampant unilateralism and protectionism, the DSB had been relied on more than ever by Members to safeguard the core principles of this rules-based Organization. All Members benefitted from her leadership, dedication and wisdom. Her contributions would be remembered and China wished her every success in her future endeavours as the Chair of the General Council. China also wished to congratulate Ambassador Walker on his election as DSB Chairperson. In 2019, the WTO dispute settlement system would be facing unprecedented challenges and opportunities. Given all the uncertainties that lied ahead, China renewed its firm support for the rules-based multilateral trading system. China looked forward to working with the incoming DSB Chairperson in the coming year.

1.8. The representative of India said that his country would like to join other delegations in expressing India's thanks to Ambassador Sunanta for skilfully handling this important responsibility over the past year. India also congratulated the incoming Chairperson and welcomed him to this new and difficult role. He said that India had full confidence that he would be able to fulfil those responsibilities with skill and flair.

1.9. The representative of Japan said that his country wished to echo other delegations in thanking Ambassador Sunanta for her able leadership as DSB Chairperson. Ambassador Ihara was truly thankful for having been succeeded in his role as DSB Chair by Ambassador Sunanta and for her

contribution to strengthening this institution. Japan also wished to congratulate Ambassador Walker on his new assignment. He noted that Ambassador Walker was also serving as Facilitator in the informal process on Appellate Body matters. He said that Japan hoped that he would be successful in this process.

1.10. The representative of Canada said that his country wished to thank Ambassador Sunanta for her dedicated work as DSB Chairperson over the past year. Canada wished her well in her new role as General Council Chair. Canada also warmly welcomed Ambassador Walker as the new DSB Chair and looked forward to his leadership moving forward.

1.11. The representative of Korea said that his country wished to join other Members in welcoming Ambassador Walker as the new DSB Chair. He said that Korea looked forward to working with him. Korea also joined other delegations in thanking Ambassador Sunanta for her service as DSB Chair and wished her good luck in her new role.

1.12. The representative of Singapore, speaking on behalf of ASEAN, expressed his appreciation to Ambassador Sunanta for her able and skilful stewardship of the DSB. Singapore believed that she had discharged her responsibilities in a very effective and efficient manner. He extended his warmest congratulations to Ambassador Walker on his new role. Singapore believed that there was no person better equipped in this room than Ambassador Walker to take over this responsibility at this very delicate juncture. Singapore wished him all the very best and assured him of its fullest support.

1.13. The representative of Chinese Taipei said that his delegation wished to join other Members to thank the outgoing Chairperson for her leadership in 2018 and for her great efforts in addressing the Appellate Body member situation. He wished Ambassador Sunanta all the best in her new capacity as the Chairperson of the General Council. Chinese Taipei welcomed Ambassador Walker as the new DSB Chair and wish him every success in taking on this great responsibility. In these difficult times, it was all the more important that the DSB continue to properly exercise its functions as instructed by the DSU. Chinese Taipei trusted in Ambassador Walker's ability to ensure this and reaffirmed its full support of Ambassador Walker in his new role.

1.14. The representative of Mexico wished to express his country's deepest thanks to Ambassador Kangvalkulkij for having guided Members to this point in a path full of challenges. Mexico believed that she was leaving Members at a point where they had elements to reflect upon and to build upon going forward. Mexico also wished to welcome Ambassador Walker and wished him every success in his new role as DSB Chair. Mexico knew that Members were facing a series of challenges and a very difficult road ahead. However, Mexico was certain that under Ambassador Walker's leadership, Members would be able to transform those challenges into opportunities.

1.15. The representative of Turkey said that his country also wished to thank Ambassador Sunanta for her wise guidance and leadership during her term and wished her every success in her new role as Chairperson of the General Council. Turkey also wished to congratulate Ambassador Walker on his election as DSB Chair and wished him every success in his tenure. Turkey was ready to work closely with him to overcome the upcoming challenges in the DSB.

1.16. The representative of Honduras wished to congratulate Ambassador Walker on his new position and expressed his thanks to Ambassador Sunanta for her contribution to the work of the DSB. Honduras stood ready to support Ambassador Walker and to work with him as necessary.

1.17. The representative of the Russian Federation said that her country wished to thank Ambassador Sunanta for her hard work and significant contribution as the DSB Chairperson through challenging times. Russia wished her all the best in her new capacity. Russia wished to congratulate Ambassador Walker on his election as the new DSB Chair and wished him success in fulfilling his duties as DSB Chair as well as Facilitator of the informal process on Appellate Body matters.

1.18. The representative of Australia said that her country wished to join others in thanking Ambassador Sunanta for her leadership during a very busy and challenging time for the DSB. Her country wished her all the best in her role as Chair of the General Council. Australia also wished to welcome Ambassador Walker in his new role and to offer its full support in addressing the challenges ahead.

1.19. The representative of Argentina said that his country wished to thank Ambassador Sunanta for her contribution, patience, tolerance, and leadership. At the same time, Argentina wished to congratulate Ambassador Walker and wished him complete success in his new duties.

1.20. The representative of Peru said that his country wished to thank Ambassador Sunanta for her leadership and availability. Peru also wished Ambassador Walker success in his duties as DSB Chair. Peru stood ready to work with Ambassador Walker.

1.21. The representative of Qatar said that his delegation wished to thank Ambassador Kangvalkulkij for her leadership during the DSB for the past year. Qatar also wished to congratulate Ambassador Walker and wished him all the best. He said that Qatar stood ready to support Ambassador Walker in his new role.

1.22. The representative of Brazil said that his country wished to thank Ambassador Sunanta for her work as DSB Chairperson, and that it wished Ambassador Walker all the best in his functions.

1.23. The representative of Jamaica, speaking on behalf of the ACP Group, said that her country wished to thank Ambassador Sunanta for her able leadership and stewardship of the DSB, and wished her every success in her new role. Jamaica also wished to congratulate Ambassador Walker in his new role, and to indicate that Jamaica stood ready to work with him and supported him as he discharged his duties. Jamaica hoped to work with Ambassador Walker closely during his tenure.

1.24. The representative of Guatemala said that his country wished to thank Ambassador Sunanta. Guatemala also wished her success in her new role as Chair of the General Council.

1.25. The representative of Colombia, speaking also on behalf of Chile, said that both countries wished to thank Ambassador Sunanta. They also wished to congratulate Ambassador Walker for his election as DSB Chair, and wished him every success in his new role.

1.26. The representative of Kenya said that his country wished to thank Ambassador Sunanta for her able leadership in steering the work of the DSB. Kenya also wished to convey its best wishes to Ambassador Walker in his new role as DSB Chair.

1.27. The representative of Afghanistan said that he wished to express his country's sincere appreciation to Ambassador Sunanta for her excellent leadership during her term as DSB Chair. Afghanistan also welcomed and congratulated Ambassador Walker for his election as incoming DSB Chair and wished him all the best during his term.

1.28. The representative of Pakistan said that his country wished to thank Ambassador Sunanta for her contribution to the work of the DSB. Pakistan wished to congratulate Ambassador Walker for taking up the role of incoming DSB Chair. Pakistan wished him complete success and expressed its support in all his work.

1.29. The representative of Cuba, speaking on behalf of GRULAC Members, thanked Ambassador Sunanta for her work and wished her every success in her new duties going forward. The GRULAC Members had contributed to the various discussions that had taken place in the DSB to date. The incoming DSB Chair could count on their support in future work related to such discussions.

1.30. The DSB took note of the statements.

2 TURKEY – ADDITIONAL DUTIES ON IMPORTS OF AIR CONDITIONING MACHINES FROM THAILAND

A. Request for the establishment of a panel by Thailand (WT/DS573/2)

2.1. The Chairperson recalled that the DSB had considered this matter at its 25 February 2019 DSB meeting and had agreed to revert to it. He then drew attention to the communication from Thailand contained in document WT/DS573/2 and invited the representative of Thailand to speak.

2.2. The representative of Thailand said that on 14 February 2019, his country had requested the establishment of a panel in this dispute. Turkey had not agreed to the establishment of a panel at the 25 February 2019 DSB meeting. Thailand had, therefore, placed its request for the establishment of a panel for the second time on the DSB's Agenda. For the reasons indicated in Thailand's request for establishment of a panel, Thailand was concerned that the additional duties imposed by Turkey on air conditioning machines from Thailand were inconsistent with Turkey's obligations under the GATT 1994 and the Agreement on Safeguards. Accordingly, Thailand requested, once again, that the DSB establish a panel to examine the matter set out in its request for the establishment of a panel, with standard terms of reference.

2.3. The representative of Turkey said that his country regretted Thailand's decision to request the establishment of a panel. As Turkey had stated at the 25 February 2019 DSB meeting, Turkey considered that Thailand's request was premature. Turkey had hoped that consultations in this dispute would continue and that they would have enabled the parties to resolve this dispute amicably. Turkey remained available for further discussions with Thailand with a view to resolving this matter without pursuing panel proceedings. In the event that Thailand pursued the panel process, Turkey was confident that a panel would find that Turkey had acted consistently with its WTO obligations in this dispute.

2.4. The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU, with standard terms of reference.

2.5. The representatives of Brazil, Canada, China, the European Union, India, Japan, Korea, the Russian Federation, Singapore, Ukraine, and the United States reserved their third-party rights to participate in the Panel's proceedings.

3 EUROPEAN UNION – ANTI-DUMPING MEASURES ON CERTAIN COLD-ROLLED FLAT STEEL PRODUCTS FROM RUSSIA

A. Request for the establishment of a panel by the Russian Federation (WT/DS521/2)

3.1. The Chairperson drew attention to the communication from the Russian Federation contained in document WT/DS521/2 and invited the representative of the Russian Federation to speak.

3.2. The representative of the Russian Federation said that on 27 January 2017, Russia had requested consultations with the European Union with respect to the anti-dumping measures imposed by the EU on imports of certain cold-rolled flat steel products originating in Russia. The measures contested in this dispute had been introduced by the EU on 5 August 2016. These anti-dumping duties, ranging from 18.7% to 36.1%, had been imposed following serious violations by the EU of its WTO obligations committed in the course of the underlying anti-dumping investigation. Consequently, such violations nullified or impaired benefits accruing to Russia under the WTO Anti-dumping Agreement and the GATT 1994. Russia, in good faith, had held consultations with the EU on 8 June 2017, with a view to reaching a satisfactory settlement of the matter. Unfortunately, these consultations had failed to resolve the dispute. Therefore, Russia requested that the DSB establish a panel pursuant to Article 6 of the DSU and Article 17.4 of the Anti-Dumping Agreement to examine the matter with standard terms of reference, as set forth in Article 7.1 of the DSU.

3.3. The representative of the European Union said that his delegation took note of Russia's decision to request a WTO panel on anti-dumping measures imposed by the EU in 2016 on certain cold-rolled flat steel products from Russia. The EU recalled that it had held constructive consultations with Russia on 8 June 2017. The EU had expressed hope that the consultations had provided the necessary information and clarifications. The EU also indicated that in case of further questions, it was ready to provide further explanations. Russia and the EU had agreed to stay in contact in order to further discuss possible solutions to this dispute. The EU was convinced that its measures were in conformity with WTO Agreements and, therefore, the EU was not ready to accept the establishment of a panel at the present meeting.

3.4. The DSB took note of the statements and agreed to revert to this matter.

4 UNITED STATES – MEASURES AFFECTING TRADE IN LARGE CIVIL AIRCRAFT (SECOND COMPLAINT): RECOURSE TO ARTICLE 21.5 OF THE DSU BY THE EUROPEAN UNION

A. Report of the Appellate Body (WT/DS353/AB/RW and WT/DS353/AB/RW/Add.1) and Report of the Panel (WT/DS353/RW and WT/DS353/RW/Add.1)

4.1. The Chairperson drew attention to the communication from the Appellate Body contained in document WT/DS353/31 transmitting the Appellate Body Report in the dispute: "United States – Measures Affecting Trade in Large Civil Aircraft (second complaint): Recourse to Article 21.5 of the DSU by the European Union", which had been circulated on 28 March 2019 as documents WT/DS353/AB/RW and WT/DS353/AB/RW/Add.1. He then reminded delegations that the Appellate Body Report and the Panel Report pertaining to this dispute had been circulated as unrestricted documents. As Members were aware, Article 17.14 of the DSU required that: "[a]n Appellate Body report shall be adopted by the DSB and unconditionally accepted by the parties to the dispute unless the DSB decides by consensus not to adopt the Appellate Body report within 30 days following its circulation to Members. This adoption procedure is without prejudice to the right of Members to express their views on an Appellate Body report". The Chairperson invited the representative of the European Union to speak.

4.2. The representative of the European Union said that his delegation welcomed the Appellate Body Report circulated on 28 March 2019 in this long-running dispute, and that it welcomed its overall outcome. The rulings of the Panel and of the Appellate Body vindicated most of the claims advanced by the EU. The Appellate Body's ruling confirmed that the United States had not brought itself into compliance with earlier rulings, as it continued to illegally subsidize aircraft manufacturer Boeing, causing significant harm to its European competitor Airbus. The Appellate Body's ruling also confirmed that the United States had taken no appropriate action to comply with its obligation to withdraw subsidies declared illegal by the WTO back in 2012, or to remove their adverse effects. The EU regretted that while on a number of points the Appellate Body had overturned the compliance Panel's conclusions, including the characterization of certain US measures and their specificity, in the absence of sufficient factual findings in the Panel Report, it had not been in a position to complete its analysis in this respect. The EU expected the United States to promptly comply with this final ruling. The EU wished to thank the Appellate Body, the Panel and their respective Secretariats for their hard work throughout this dispute.

4.3. The representative of the United States said that the United States wished to thank the members of the compliance Panel, the Appellate Body,¹ and the Secretariat assisting them for the hard work and long hours they dedicated to this lengthy proceeding. It was quite likely that many in attendance had read the press accounts in which the United States and the EU both claimed to have come out the better in this dispute, and relative to the dispute concerning the EU's subsidies to Airbus. The United States wished to take this opportunity to explain the US position. It was important to consider these compliance proceedings within the overall context of this dispute and the US challenge to the EU's subsidies to Airbus. The dispute at issue at the present meeting had come about because fourteen years ago, the United States had challenged launch aid, which was the form of financing whereby EU member States paid for the development of Airbus aircraft, and which Airbus did not have to repay if the aircraft proved unsuccessful. The United States believed, and as had been found in WTO panel and appellate reports in both the original and compliance proceedings, that these subsidies were responsible for the development and launch of every single Airbus aircraft, and had caused massive adverse effects to US trade. The EU had responded by bringing this WTO dispute in 2005, and had argued that US subsidies were bigger and more distortive of trade. Since initiating this dispute, the EU and its member States had tried to justify their vast subsidization of Airbus by claiming a need to offset US subsidies to Boeing. The reports in this compliance proceeding – consistent with all previously adopted reports on these issues – had vindicated the US position, and shown that the substantial and large subsidies provided by the EU to Airbus dramatically outweighed the findings of US subsidization in this dispute. In the original proceedings in this dispute, the EU had alleged subsidies of US\$19 billion and a wide range of adverse effects in three market segments. The panel and appellate reports in those original proceedings found that the United States had provided Boeing with between US\$3.2 and US\$4.3 billion in subsidized research and development funding and income tax benefits, with far more limited market effects than the EU's subsidies to Airbus. As was evident, these findings were significantly less than

¹ For ease of reference, in this statement the term "Appellate Body" is utilized without prejudice to the adoption procedure applied by the DSB to any particular appellate report.

the EU had alleged. In response to the DSB's adopted recommendations, the United States had modified the research and development funding and revoked the income tax benefit to remove any adverse effects to the EU. Despite this, the EU had commenced a compliance proceeding in this dispute in 2012, claiming the United States had failed to comply with the DSB's recommendations and rulings. The EU had also challenged 29 state and federal programs that it claimed had allegedly conferred US\$10.4 billion in subsidies to Boeing over six years. In 2017, the WTO compliance Panel report put forward for adoption at the present meeting had found *only one* of those programs, a Washington state tax measure worth an average value of between US\$100 and US\$110 million from 2013-2015, to be WTO-inconsistent.

4.4. The EU had appealed. The appellate report put forward for adoption at the present meeting likewise had found that the *only* WTO-inconsistent program was the Washington state tax measure. These findings stood in sharp contrast to the panel and appellate reports in the US challenge to the EU subsidies to Airbus. In the original proceedings in that dispute, the appellate report had found that the EU had granted subsidized financing amounting to approximately US\$18 billion to Airbus that had caused Boeing to lose sales of more than 300 aircraft and market share throughout the world. Following these proceedings, in 2011, the EU had claimed that it had removed more than US\$18 billion in subsidized financing to Airbus that the WTO had previously found to be WTO-inconsistent. Yet in reality, the EU had only removed two minor subsidies and had left most of the rest unchanged. Additionally, the EU had granted Airbus more than US\$5 billion in new subsidized "launch aid" to finance the A350 XWB. The United States had initiated compliance proceedings in March 2012 because the EU not only had failed to comply with the DSB's adopted recommendations and rulings, but had further breached WTO rules through the new subsidized financing for the A350 XWB. The compliance panel report in 2016 and appellate report in 2018 had found that EU subsidies to high-value, twin-aisle aircraft had caused, and continued to cause, serious prejudice to US interests. The appellate report had found that billions of dollars in launch aid to the A350 XWB was causing significant lost sales of Boeing 787 aircraft. The report had found that subsidies to the A380 continued to cause significant lost sales of Boeing 747 aircraft, as well as impedance of exports of Boeing very large aircraft to the EU, Australia, China, Korea, Singapore, and UAE markets. In light of these reports, the United States had requested authority to impose countermeasures commensurate with the adverse effects caused by EU subsidies. The United States estimated in the countermeasures arbitration that these adverse effects to the United States amounted to US\$11.2 billion annually. In sum, the reports in these two disputes spoke for themselves, and, taken together, they spoke volumes. The United States supported the adoption of the panel and appellate reports in this dispute. The United States understood that the EU and its member States, the other parties to the dispute, did also, as the EU had proposed this item so that the DSB could adopt these reports. Therefore, as the parties considered that adoption of these reports would help them achieve a "positive solution to the dispute", the United States invited other Members to join the parties' consensus to adopt the reports proposed for adoption at the present meeting, that was, the appellate report contained in WT/DS353/AB/RW and WT/DS353/AB/RW/Add.1 and the panel report contained in WT/DS353/RW and WT/DS353/RW/Add.1 as modified by the appellate report. To be clear, the US preferred outcome was a mutually agreed solution with respect to aircraft financing. The United States remained ready to hold serious discussions to achieve this goal. The United States was ready to discuss with the EU and its member States how the parties might resolve both sides' disagreements with respect to existing WTO-inconsistent subsidies and reach an agreement so that neither side adopted new WTO-inconsistent subsidies.

4.5. The representative of the European Union said that his delegation would like to stress the following: for the EU, there was not a shadow of a doubt that the report under this Agenda item was a report of the Appellate Body, and the EU was looking forward to its adoption in accordance with the rules applicable for the adoption of Appellate Body reports under Article 17.14 of the DSU, namely by negative consensus – just as had been the case in the "EC and certain member States – Large Civil Aircraft" dispute (DS316). The EU recalled that the rules and procedures of the DSU excluded the right of any particular WTO Member to block the adoption of panel or Appellate Body reports. This was a central feature of the DSU. Article 17.14 of the DSU was clear: "[a]n Appellate Body report shall be adopted by the DSB and unconditionally accepted by the parties to the dispute unless the DSB decides by consensus not to adopt the Appellate Body report [...]". The EU understood that there was no formal objection at the present meeting against the adoption of the Appellate Body report. The EU recalled that these provisions were without prejudice to the right of Members to express their views on a report, and such views had been expressed at the present meeting.

However, while there was a right to express views, there was no right to veto. Any theories attempting to underpin such a right to veto were without any merit.

4.6. The representative of Canada said that as a third participant in this dispute, Canada also wished to thank the Appellate Body and the Secretariat for their hard work in these proceedings. Canada recognized and appreciated the efforts that had gone into issuing this Appellate Body Report in this complex dispute. Canada also wished to recall that the Appellate Body, once again, had affirmed that there were two distinct compliance options available to implementing Members under Article 7.8 of the SCM Agreement. In particular, the Appellate Body had affirmed that an implementing Member could comply with Article 7.8 either by withdrawing the subsidies that caused adverse effects by the end of the implementation period, *or* by removing the adverse effects caused by such subsidies by the end of the implementation period. As such, an implementing Member no longer bore a compliance obligation under Article 7.8 if the subsidies were no longer being granted or maintained by the end of the implementation period, or if such subsidies no longer constituted a present cause of adverse effects to the interests of another Member. Canada also wished to add that the report of the Appellate Body was indeed an AB report, and that its adoption was subject to negative consensus, as provided for under Article 17.14 of the DSU.

4.7. The DSB took note of the statements and adopted the Appellate Body Report contained in WT/DS353/AB/RW and WT/DS353/AB/RW/Add.1 and the Panel Report contained in WT/DS353/RW and WT/DS353/RW/Add.1, as modified by the Appellate Body Report.
