

# WORLD TRADE ORGANIZATION

**WT/DS176/16**

1 July 2005

(05-2867)

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Original: English

## **UNITED STATES – SECTION 211 OMNIBUS APPROPRIATIONS ACT OF 1998**

### Understanding between the European Communities and the United States

The following communication, dated 30 June 2005, from the delegation of the European Communities and the delegation of the United States to the Chairman of the Dispute Settlement Body, is circulated at the request of those delegations.

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The European Communities and the United States would like to inform the Dispute Settlement Body of the attached "Understanding between the European Communities and the United States" with respect to the dispute *United States – Section 211 Omnibus Appropriations Act of 1998* (WT/DS176).

We request that you please circulate this notification to the Members of the Dispute Settlement Body.

Understanding between the European Communities and the United States of America

Noting that the United States has informed the Dispute Settlement Body (DSB) that it will continue to work to bring Section 211 of the Omnibus Appropriations Act of 1998 into conformity with its WTO obligations,

The European Communities (EC) and the United States have reached the following understanding with regard to the dispute *US – Section 211 Appropriations Act*:

1. The EC will not at this stage request authorization from the DSB to suspend concessions or other obligations pursuant to Article 22.2 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU).
2. If the EC at some future date decides to request DSB authorization to suspend concessions or other obligations under Article 22.2 of the DSU, it will provide the United States advance notice and will consult with the United States before making such a request.
3. The EC retains its right to be granted DSB authorization to suspend concessions or other obligations pursuant to Article 22.6 of the DSU at any future date and the United States will not seek to block the EC's request for DSB authorization on the grounds that such DSB action would not be within the time period set out in the first sentence of Article 22.6 of the DSU.
4. The United States retains the right to object to the level of suspension proposed, or to claim that the principles and procedures set forth in Article 22.3 of the DSU have not been followed, and to have the matter referred to arbitration under Article 22.6 of the DSU.
5. The EC and the United States agree to request jointly the adoption by the DSB of the draft decision attached to this Understanding at its meeting on 20 July 2005.

(signed)  
H.E. Mr Carlo Trojan  
Ambassador  
Permanent Representative of the EC

(signed)  
Mr David Shark  
Deputy Chief/Chargé d'Affaires a.i.  
Permanent Mission of the United States

Draft Decision of the DSB

The DSB takes note of the Understanding reached between the European Communities (EC) and the United States and agrees that, upon a request by the EC, the DSB shall grant the EC authorization to suspend concessions or other obligations unless (i) the DSB decides by consensus not to do so or (ii) the United States objects to the level of suspension proposed or claims that the principles and procedures in DSU Article 22.3 have not been followed, referring the matter to arbitration under Article 22.6 of the DSU.

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