

**UNITED STATES - IMPORT MEASURES ON CERTAIN PRODUCTS FROM THE
EUROPEAN COMMUNITIES**

Request for Consultations by the European Communities

The following communication, dated 4 March 1999, from the Permanent Delegation of the European Commission to the Permanent Mission of the United States and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.8 of the DSU.

On behalf of the European Communities, I hereby request consultations with the United States pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and Article XXII:1 of the General Agreement on Tariffs and Trade 1994 (GATT 1994), with regard to the US decision, effective as of 3 March 1999, to withhold liquidation on imports from the EC of a series of products (attached), together valued at over \$500 million on an annual basis, and to impose a contingent liability for 100% duties on each individual importation of affected products as of this date. According to information provided by the United States Trade Representative (USTR), this measure includes administrative provisions which foresee, among other things, the posting of a bond to cover the full potential liability.

This measure deprives EC imports into the US of the products in question of the right to a duty not in excess of the rate bound in the US Schedule. Moreover, by requiring the deposit of a bond, US Customs effectively impose 100% duties on each individual importation, the return of which is uncertain, depending on future US decisions. As a result, the EC products in question are effectively being stopped from entering the United States as of 3 March 1999.

The European Communities considers that this measure is in flagrant breach of the following WTO provisions:

- Articles 3, 21, 22 and 23 of the DSU;
- Articles I, II, VIII and XI of GATT 1994.

Through these violations of fundamental WTO rules, this US measure nullifies or impairs benefits accruing, directly or indirectly, to the European Communities under GATT 1994. This measure also impedes important objectives of GATT 1994 and of the WTO.

Given the immediate and significant trade impact of this US measure, the European Communities requests urgent consultations under Article 4.8 of the DSU.

I look forward to receiving your reply to this request for urgent consultations and to entering into the consultations within a period of not more than 10 days after receipt of this request.

Annex**LIST OF PRODUCTS**

The withholding of liquidation will apply to products that are both: (1) classified in the subheadings of the Harmonized Tariff Schedule of the United States listed below; and (2) the product of Austria, Belgium, Finland, France, the Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain, Sweden, or the United Kingdom. The product descriptions that are provided below are for the convenience of the reader and are not intended to delimit in any way the scope of the products that would be subject to increased duties.

HTS Number	Product Description
02101900	Meat of swine, other than hams, shoulders, bellies (streaky) and cuts thereof, salted, in brine, dried or smoked
04069057	Pecorino cheese, from sheep's milk, in original loaves, not suitable for grating
19053000	Sweet biscuits, waffles and wafers
33073050	Bath preparations, other than bath salts
34060000	Candles, tapers and the like
39202000	Nonadhesive plates, sheets, film, foil and strip, noncellular, not reinforced or combined with other materials, of polymers of propylene
42022215	Handbags, with or without shoulder straps or without handle, with outer surface of sheeting of plastics
42023210	Articles of a kind normally carried in the pocket or handbag, with outer surface of reinforced or laminated plastics
48055000	Uncoated felt paper and paperboard in rolls or sheets
48192000	Folding cartons, boxes and cases of noncorrugated paper or paperboard
49119120	Lithographs on paper or paperboard, not over 0.51mm in thickness, printed not over 20 years at time of importation
61101010	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, wholly of cashmere
63022190	Bed linen, not knit or crochet, printed, of cotton, not containing any embroidery, lace, braid, edging, trimming, piping or appliqué work, not napped
85072080	Lead-acid storage batteries other than of a kind used for starting piston engines or as the primary source of power for electric vehicles
85167100	Electrothermic coffee or tea makers, for domestic purposes