

**UNITED STATES – SUBSIDIES ON UPLAND COTTON**

Request by the United States for Arbitration under Article 22.6 of the DSU  
and Article 7.10 of the SCM Agreement

The following communication, dated 17 October 2005, from the delegation of the United States to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 22. 6 of the DSU and Article 7.10 of the SCM Agreement.

---

Regarding the dispute *United States – Subsidies on Upland Cotton* (WT/DS267), my authorities have instructed me to inform you that, pursuant to Article 22.6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU) and Article 7.10 of the *Agreement on Subsidies and Countervailing Measures* (SCM Agreement), the United States of America objects to the level of suspension of concessions or other obligations and the countermeasures proposed by Brazil in document WT/DS267/26. In the view of the United States, the countermeasures proposed are not commensurate with the degree and nature of the adverse effects determined to exist within the meaning of Article 7.9 of the SCM Agreement. Further, the level of suspension proposed is not equivalent to the level of nullification or impairment within the meaning of Article 22.7 of the DSU.

In addition, Brazil has requested authorization to suspend concessions or other obligations under other covered agreements pursuant to Article 22.3(c) of the DSU. Pursuant to Article 22.6 of the DSU, the United States claims that the principles and procedures set forth in DSU Article 22.3 have not been followed.

Accordingly, as required by Article 22.6 of the DSU (and consequently Article 7.10 of the SCM Agreement), "the matter shall be referred to arbitration".

---