

WORLD TRADE ORGANIZATION

WT/DS108/15
27 November 2000

(00-5121)

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UNITED STATES – TAX TREATMENT FOR "FOREIGN SALES CORPORATIONS"

Request by the United States for Arbitration under Article 22.6 of the DSU

The following communication, dated 27 November 2000, from the Permanent Mission of the United States to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 22.6 of the DSU.

Regarding the dispute *United States – Tax Treatment for "Foreign Sales Corporations"* (WT/DS108), my authorities have instructed me to inform you that, pursuant to Article 4.11 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement) and Article 22.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), the United States of America objects to the appropriateness of the countermeasures and the level of suspension of concessions proposed by the European Communities in document WT/DS108/13. In the view of the United States, the countermeasures proposed are not appropriate within the meaning of Article 4.10 of the SCM Agreement. In addition, the level of suspension of concessions is not equivalent to the level of nullification or impairment within the meaning of Article 22.7 of the DSU.

Accordingly, as required by Article 22.6 of the DSU (and consequently Article 4.11 of the SCM Agreement), "the matter shall be referred to arbitration".
