

**UNITED STATES – CONTINUED DUMPING AND
SUBSIDY OFFSET ACT OF 2000**

Recourse by Mexico to Article 22 of the DSU

The following communication, dated 10 November 2004, from the delegation of Mexico to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 22 of the DSU.

I hereby request that the following item be included in the agenda of the meeting of the Dispute Settlement Body to be held on 24 November, for its consideration:

UNITED STATES – CONTINUED DUMPING AND SUBSIDY OFFSET ACT OF 2000.

Request by Mexico to suspend obligations in conformity with Article 22 of the DSU.

The Panel and the Appellate Body determined that the Continued Dumping and Subsidy Offset Act of 2000 (CDSOA) is inconsistent with the United States' obligations under the General Agreement on Tariffs and Trade 1994 (GATT 1994), the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, the Agreement on Subsidies and Countervailing Measures and the Marrakesh Agreement establishing the World Trade Organization. On 27 January 2003, the Dispute Settlement Body (DSB) adopted the report of the Appellate Body and the report of the Panel as modified by the Appellate Body report. The United States did not apply the DSB's recommendations within the reasonable period of time (which expired on 27 December 2003).

Consequently, on 15 January 2004 Mexico requested authorization from the DSB to "suspend the application to the United States of obligations in the trade in goods sectors, in conformity with Article 22 of the DSU" (WT/DS234/26).

On 23 January, the United States objected to the level of suspension proposed by Mexico and, on 26 January 2004, the DSB agreed to refer the matter to arbitration. The Arbitrator issued his award on 31 August.

In view of the fact that to date the United States has still not implemented the DSB's recommendations and rulings with regard to the CDSOA, Mexico requests the DSB to authorize it to suspend the application to the United States of obligations in the trade in goods sector, for a total trade value not exceeding, in United States dollars, the amount of disbursements made under the CDSOA last year for which data are available on anti-dumping or countervailing duties paid on imports from Mexico in that year, in accordance with the data published by the United States authorities, multiplied by 0.72.

Mexico will submit the details of the suspension as soon as possible.
