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TURKEY – MEASURES AFFECTING THE IMPORTATION OF RICE

<u>Understanding between Turkey and the United States</u>
Regarding Procedures under Articles 21 and 22 of the DSU

The following communication, dated 7 May 2008, from the delegation of Turkey and the delegation of the United States to the Chairman of the Dispute Settlement Body, is circulated at the request of these delegations.

Turkey and the United States would like to inform the Dispute Settlement Body of the attached "Agreement between Turkey and the United States Regarding Procedures under Articles 21 and 22 of the Dispute Settlement Understanding" with respect to the dispute *Turkey – Measures Affecting the Importation of Rice* (WT/DS334).

We request that you circulate the attached agreement to the Members of the Dispute Settlement Body.

H.E. Mr. Bozkurt Aran Ambassador Permanent Mission of Turkey to the World Trade Organization H.E. Mr. Peter F. Allgeier Ambassador Permanent Mission of the United States to the World Trade Organization

Agreement between Turkey and the United States Regarding Procedures under Articles 21 and 22 of the Dispute Settlement Understanding

On 22 October 2007, the Dispute Settlement Body (DSB) adopted its recommendations and rulings in the dispute *Turkey – Measures Affecting the Importation of Rice* (WT/DS334). On 9 April 2008, Turkey and the United States (collectively, the "Parties") informed the DSB that, pursuant to Article 21.3(b) of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), they had agreed that the reasonable period of time for Turkey's implementation of the DSB's recommendations and rulings would be 6 months, expiring on 22 April 2008. This notification was circulated to WTO Members on 11 April 2008 (WT/DS334/12).

The reasonable period of time expired on 22 April 2008. Therefore, the Parties have agreed on the following procedures for purposes of this dispute:

- 1. If the United States deems it appropriate to invoke Article 21.5 of the DSU, the United States will request that Turkey enter into consultations with the United States. The Parties agree to hold such consultations within 15 days from the date of receipt of the request.
- 2. After the 15-day period referenced in paragraph 1 has elapsed, the United States may request the establishment of a panel pursuant to DSU Article 21.5 (the "compliance panel") at any time.
- 3. At the first DSB meeting at which the US request for the establishment of a compliance panel appears as an item on the agenda, Turkey will accept the establishment of that panel.
- 4. The Parties will cooperate to enable the compliance panel to circulate its report within 90 days of such panel's composition, excluding such time as the compliance panel's work may be suspended pursuant to Article 12.12 of the DSU.
- 5. In case of an appeal of the compliance panel report, the Parties will cooperate to enable the Appellate Body to circulate its report within 90 days from the date of notification of the appeal to the DSB.
- 6. The United States may request authorization to suspend concessions or other obligations pursuant to DSU Article 22.2 simultaneously with or at any time after a request for the establishment of the compliance panel pursuant to paragraph 2. Turkey will not assert that the United States is precluded from obtaining such DSB authorization because its request was made outside the time period specified in Article 22.6 of the DSU.
- 7. If the United States requests authorization to suspend concessions or other obligations pursuant to Article 22.2 of the DSU, in accordance with Article 22.6 of the DSU, Turkey will object to the level of suspension of concessions or other obligations and/or claim that the principles and procedures set forth in DSU Article 22.3 have not been followed.
- 8. If the matter has been referred to Article 22.6 arbitration prior to adoption by the DSB of its recommendations and rulings in the Article 21.5 proceeding, the Parties will request that the Article 22.6 arbitrator suspend its work.
- 9. In the event that the DSB rules that a measure taken to comply does not exist or is inconsistent with a covered agreement, either party may request the Article 22.6 arbitrator to

resume its work. The Parties will cooperate to enable the arbitrator to circulate its report within 60 days of the resumption of its work.

- 10. In the event that the DSB rules that Turkey has taken a measure to comply with the recommendations and rulings of the DSB and each such measure is not inconsistent with the covered agreements, the United States will withdraw its request under Article 22.2 of the DSU, thereby terminating the arbitration procedure.
- 11. The Parties will cooperate to facilitate the participation of the original panelists in the Article 21.5 proceeding and the Article 22.6 arbitration.
- 12. If any of the original panelists is not available for either the Article 21.5 proceeding or the Article 22.6 arbitration, or both, the Parties will promptly consult on a replacement panelist, and either Party may request the Director-General of the WTO to appoint, as soon as possible, a replacement for the proceeding or proceedings in which such a replacement is required. For any such request where an original panelist is unavailable to participate in the Article 21.5 proceeding and the Article 22.6 arbitration, the Parties will request that in selecting a panelist for the compliance panel, the Director-General seek a person who will also be available to act in the Article 22.6 arbitration.
- 13. The Parties will cooperate in all matters related to these agreed procedures and will not raise any procedural objection to any of the steps set out herein. If, during the application of these procedures, the Parties consider that a procedural aspect has not been properly addressed, they will endeavor to find a solution within the shortest time possible that will not affect the other agreed procedures.
- 14. These agreed procedures in no way prejudice other rights of either party to take any action or procedural step to protect its rights and interests, including recourse to the DSU.

Agreed in Geneva on 7 May 2008.

H.E. Mr. Bozkurt Aran Ambassador Permanent Mission of Turkey to the World Trade Organization H.E. Mr. Peter F. Allgeier Ambassador Permanent Mission of the United States to the World Trade Organization
