

**CHINA – MEASURES AFFECTING TRADING RIGHTS AND  
DISTRIBUTION SERVICES FOR CERTAIN PUBLICATIONS  
AND AUDIOVISUAL ENTERTAINMENT PRODUCTS**

Communication from China and the United States concerning  
Article 21.3(c) of the DSU

The following communication, dated 4 March 2010, from the delegation of China and the delegation of the United States to the Chairman of the Dispute Settlement Body, is circulated at the request of these delegations.

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The Dispute Settlement Body ("DSB") adopted its recommendations and rulings in the dispute *China – Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products* (DS363) on 19 January 2010. In its statement at the DSB meeting of 18 February 2010, China notified the DSB that it intends to implement the recommendations and rulings of the DSB in this dispute and stated that it would need a reasonable period of time for implementation.

Article 21.3(c) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") provides that, in the absence of an agreement between the parties on a period of time, the reasonable period of time shall be determined "through binding arbitration within 90 days after the date of adoption of the recommendations and rulings." In order to allow sufficient time for the parties to discuss a mutually agreed period, China and the United States (i) agree that, in the event an arbitration under Article 21.3(c) of the DSU is requested, it shall be completed no later than 60 days after the date of the appointment of an arbitrator, unless the arbitrator, following consultation with the parties, considers that additional time is required; and (ii) hereby confirm that any award of the arbitrator (including an award not made within 90 days after the date of adoption of the DSB recommendations and rulings) shall be deemed to be an award of the arbitrator for the purposes of Article 21.3(c) of the DSU in determining the reasonable period of time for China to implement the recommendations and rulings of the DSB.

For the People's Republic of China

For the United States of America

Mr. ZHANG Xiangchen  
Chargé d'affaires, a.i.

Mr. David P. Shark  
Chargé d'affaires, a.i.

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