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EUROPEAN COMMUNITIES - DUTIES ON IMPORTS OF GRAINS

Request for Consultations by the United States

The following communication, dated 19 July 1995, from the Office of the United States Trade Representative to the Permanent Delegation of the European Commission is circulated in accordance with Article 4:4 of the DSU.

My authorities have instructed me to request consultations with the European Communities pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXIII:1 of the General Agreement on Tariffs and Trade 1994, and Article 19 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 regarding the application of tariffs by the Communities to grains, including wheat, corn, barley and rice.

These measures appear to be inconsistent with the obligations of the Communities under the General Agreement on Tariffs and Trade 1994 and the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, particularly in light of the so-called "margin of preference" tariff binding undertaken by the Communities. The provisions of these agreements with which these measures appear to be inconsistent include, but are not limited to the following:

- 1. General Agreement on Tariffs and Trade 1994, Articles II and VII; and
- 2. Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, Articles 1 through 7 and Annex I.

These measures also appear to nullify or impair the benefits accruing to the United States directly or indirectly under the cited agreements.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for consultations.