

**CANADA – MEASURES AFFECTING THE IMPORTATION OF MILK
AND THE EXPORTATION OF DAIRY PRODUCTS**

Request by Canada for Arbitration under Article 22.6 of the DSU

The following communication, dated 28 February 2001, from the Permanent Mission of Canada to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 22.6 of the DSU.

Pursuant to Article 22.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Canada objects to the level of suspension of tariff concessions and other obligations under the General Agreement on Tariffs and Trade 1994 proposed by New Zealand in its letter dated 16 February 2001 (document WT/DS113/17).

Without prejudice to its position with respect to the WTO-consistency of Canada's implementing measures, which will be examined by the Article 21.5 panel requested by New Zealand in its letter also dated 16 February 2001 (document WT/DS113/16), Canada considers that the level of suspension proposed by New Zealand is not equivalent to the level of the nullification or impairment of benefits accruing to New Zealand as a result of the alleged failure of Canada to comply with the recommendations and rulings of the Dispute Settlement Body in the matter "Canada – Measures Affecting the Importation of Milk and the Exportation of Dairy Products" (WT/DS113).

In accordance with the provisions of Article 22.6 of the DSU and as envisaged in the "Agreed Procedures between Canada and New Zealand under Articles 21 and 22 of the DSU in the follow-up to the dispute in "Canada – Measures Affecting the Importation of Milk and the Exportation of Dairy Products" (WT/DS113)" (WT/DS113/14), Canada therefore requests that this matter be referred to arbitration.
