

ARGENTINA – MEASURES AFFECTING IMPORTS OF FOOTWEAR

Request for the Establishment of a Panel by the United States

The following communication, dated 20 May 1999, from the Permanent Mission of the United States to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

The United States requests the establishment of a panel pursuant to Articles 4 and 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, Article 14 of the Agreement on Safeguards, and Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), with regard to Argentina's safeguard measure, as modified, on imports of footwear.

In November 1998, Argentina adopted Resolution 1506, followed by the issuance of Decision 837/98 dated 4 December 1998, both of which modified the original safeguard measure in Resolution 987/97 and imposed a tariff-rate quota (TRQ) on footwear imports in addition to the safeguard duties previously imposed. Moreover, Resolution 1506 postpones any liberalization of the original safeguard duty until 25 February 2000, and liberalizes the TRQ only once during the life of the measure. Argentina has not notified its footwear safeguard, as modified, to the Committee on Safeguards.

On 1 March 1999, the United States requested consultations with Argentina with a view to reaching a mutually satisfactory solution of the matter. The request was circulated in document WT/DS164/1 dated 4 March 1999. Consultations were held on 24 March 1999 in Geneva, but did not lead to a satisfactory resolution of the matter.

Based upon information received to date, the United States considers that Resolution 1506 and Decision 837/98 may be inconsistent with the obligations of Argentina under the Agreement on Safeguards, in particular:

- (a) Article 7.4, which mandates that safeguard measures over one year in duration be progressively liberalized at regular intervals; and
- (b) Article 12, which directs Members to notify the Committee on Safeguards of all safeguard actions and to provide adequate opportunity for prior consultations with Members having substantial export interest in the product concerned.

The United States requests that the panel be established with the standard terms of reference. The United States asks that this request be placed on the agenda for the 3 June 1999 meeting of the Dispute Settlement Body.