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UNITED STATES – TARIFF MEASURES ON CERTAIN GOODS FROM CHINA

COMMUNICATION FROM THE UNITED STATES

The following communication, dated 13 April 2018, was received from the delegation of the United States with the request that it be circulated to the Dispute Settlement Body (DSB).

On 4 April 2018, the United States received China's letter of the same date requesting consultations pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") and Article XXIII of the *General Agreement on Tariffs and Trade 1994*. The letter has been circulated as WT/DS543/1.

The United States considers that China's April 4 letter does not meet the requirements of Article 4 of the DSU. By its own terms, China's letter addresses "proposed tariff[] measures". As China acknowledges in its letter, and as China well knows, the United States has adopted no tariff measures with respect to China. Consequently, the issues raised in China's April 4 letter are not "measures affecting the operation of any covered agreement taken within the territory of" a Member, within the meaning of DSU Article 4.2. China's letter therefore does not "identif[y] the measures at issue" pursuant to DSU Article 4.4 as there are no tariff measures in existence.

For these reasons, China's April 4 letter does not conform to the requirements of DSU Article 4. Nonetheless, the United States is willing to enter into consultations with China, without prejudice to the US view that China's letter does not comply with DSU requirements. At such consultations, the United States looks forward to hearing from China how it intends to address China's trade-distorting policies addressed in the US investigation mentioned in China's letter to support fairness in the international trading system.

Further, the United States takes note of the 2018 Public Notice No. 34 of the Ministry of Commerce of the People's Republic of China entitled *Public Notice on Imposing Additional Tariffs on Certain Imported Products Originating from the United States*. The public notice was issued on 4 April 2018, the same date as China's letter requesting consultations. The public notice refers to the US investigation mentioned in China's April 4 letter and states that China will "take measures to impose additional tariffs, at a tariff rate of 25%, on soybeans and other agricultural products, automobiles, chemical products, airplanes, and other products originating from the United States, which concerns approximately \$50 billion of the value of China's imports from the United States in 2017." At the consultations, the United States looks forward to hearing China's justification for deciding to impose these additional tariffs.

We stand ready to confer with officials from your mission on a mutually convenient date for these consultations.
