

Original: English

**UNITED STATES – PRELIMINARY ANTI-DUMPING AND
COUNTERVAILING DUTY DETERMINATIONS ON
COATED FREE SHEET PAPER FROM CHINA**

Request for Consultations by China

The following communication, dated 14 September 2007, from the delegation of China to the delegation of the United States and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have asked me to request consultations with the Government of the United States pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (the DSU), Article XXIII:1 of the *General Agreement on Tariffs and Trade 1994* (GATT 1994), Article 30 of the *Agreement on Subsidies and Countervailing Measures* (the SCM Agreement), and Article 17 of the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* (the AD Agreement) concerning the preliminary anti-dumping and countervailing duty determinations made by the US Department of Commerce on 29 May 2007 and 2 April 2007, respectively, in respect of coated free sheet paper from China. These preliminary determinations appear at 72 Federal Register 30,758 (4 June 2007) (*Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from the People's Republic of China*) and 72 Federal Register 17,484 (9 April 2007) (*Coated Free Sheet Paper from China: Amended Preliminary Affirmative Countervailing Duty Determination*).

China considers that these measures are inconsistent with the obligations of the United States under, *inter alia*, Articles VI of the GATT 1994, Articles 1, 2, 10, 14, 17, and 32 of the SCM Agreement, and Articles 1, 2, 7, 9, and 18 of the AD Agreement.

These inconsistencies include, *inter alia*:

1. the failure of the US authorities to demonstrate specificity under Article 2.1 of the SCM Agreement in respect of alleged countervailable subsidies identified in the preliminary CVD determination, and to clearly substantiate these determinations of specificity on the basis of positive evidence, as required by Article 2.4 of the SCM Agreement;
2. the failure of the US authorities to make a proper determination of benefit under Articles 1 and 14 of the SCM Agreement in respect of the alleged "government policy lending program";

3. the failure of the US authorities to ensure that the preliminary affirmative determination of subsidization, and the imposition of provisional countervailing duties, were based on the amount of subsidy found to exist, as required by Articles 17 and 19 of the SCM Agreement; and
4. the failure of the US authorities to ensure that the preliminary affirmative determination of dumping, and the imposition of provisional anti-dumping duties, were based on the amount of dumping found to exist, as required by Articles 7 and 9 of the AD Agreement.

China reserves the right to raise additional claims and legal matters regarding the above-mentioned measures during the course of the consultations.

China looks forward to receiving the reply of the Government of the United States to this request and to setting a mutually convenient date for consultations.
