

**EUROPEAN COMMUNITIES – REGIME FOR THE IMPORTATION,
SALE AND DISTRIBUTION OF BANANAS**

Arbitration under Article 22.6 of the DSU

Communication from the Arbitrators

The following communication, dated 2 March 1999, from the Chairman of the Arbitrators, Mr. Stuart Harbinson, to the Chairman of the Dispute Settlement Body, is circulated in accordance with the request of the Arbitrators.

On 29 January 1999, the Dispute Settlement Body decided to submit the above matter to the arbitration of the original panel in accordance with Article 22.6 of the DSU.

I write to inform you that the Arbitrators have today issued an initial decision to the parties in which we rule on matters related to the scope of our work and to certain aspects of the methodology and calculations of the United States for determining the level of suspension of concessions. In addition, we have requested the parties to supply us with additional information. This information should enable us to take a final view on the level of nullification or impairment based on the WTO inconsistency, if any, of the revised EC banana regime, and, if relevant, to determine the level of suspension of concessions or other obligations equivalent to the level of such nullification or impairment. Following our receipt and analysis of that information, we expect to be in a position to issue a final decision in this matter soon thereafter.
