

UNITED STATES – SUBSIDIES ON UPLAND COTTON

Recourse by the United States to Article 22.6 of the DSU
and Article 4.11 of the SCM Agreement

Communication from the Arbitrator

The following communication, dated 17 August 2005, has been received from the delegation of Brazil and the delegation of the United States and addressed to Mr Darius Rosati, Chairman of the Arbitrator.

On 4 July 2005, Brazil requested authorization from the Dispute Settlement Body ("DSB") to take appropriate countermeasures pursuant to Article 4.10 of the *Agreement on Subsidies and Countervailing Measures* ("SCM Agreement") and to suspend concessions or other obligations pursuant to Article 22.2 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") with respect to the United States (WT/DS267/21). The United States objected to the Brazilian Article 4.10 and Article 22.2 request on 14 July 2005 (WT/DS267/23). The matter has been referred to arbitration pursuant to Article 22.6 of the DSU.

In accordance with paragraph 3 of the "Agreed Procedures under Articles 21 and 22 of the Dispute Settlement Understanding and Article 4 of the SCM Agreement in the follow-up to the dispute *United States – Subsidies on Upland Cotton* (WT/DS267)", dated 5 July 2005 (WT/DS267/22), the United States and Brazil request that the Article 22.6 arbitration proceedings be suspended until Brazil subsequently requests their resumption or termination in accordance with the terms of the "Agreed Procedures".

In accordance with the joint request by the parties, the Arbitrator has suspended the arbitration proceedings.
