

UNITED STATES – SECTIONS 301-310 OF THE TRADE ACT OF 1974

Request for the Establishment of a Panel by the European Communities

The following communication, dated 26 January 1999, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 6.2 of the DSU.

I have the honour to request, on behalf of the European Communities, the establishment of a panel pursuant to Article XXIII of the General Agreement on Tariffs and Trade (GATT 1994) and Articles 4 and 6 of the Dispute Settlement Understanding (DSU) with respect to Title III, chapter 1 (sections 301-310) of the United States Trade Act of 1974, as amended (19 U.S.C., paragraphs 2411-2420).

By imposing specific, strict time limits within which unilateral determinations must be made that other WTO Members have failed to comply with their WTO obligations and trade sanctions must be taken against such WTO Members, this legislation does not allow the United States to comply with the rules of the DSU and the obligations of GATT 1994 in situations where the Dispute Settlement Body (DSB) has, by the end of those time limits, not made a prior determination that the WTO Member concerned has failed to comply with its WTO obligations and has not authorised the suspension of concessions or other obligations on that basis.

For the above reasons, the European Communities considers that this legislation is inconsistent with the following WTO provisions:

- Articles 3, 21, 22 and 23 of the DSU;
- Article XVI:4 of the Marrakesh Agreement establishing the World Trade Organization; and
- Articles I, II, III, VIII and XI of GATT 1994.

Through these violations of WTO rules, this legislation nullifies or impairs benefits accruing, directly or indirectly, to the European Communities under GATT 1994. This legislation also impedes important objectives of GATT 1994 and of the WTO.

On 25 November 1998, the European Communities requested consultations with the United States on this matter, pursuant to Article 4 of the DSU and Article XXII:1 of GATT 1994.

This request was circulated in document WT/DS152/1. Consultations were held on 17 December 1998. Those consultations did not result in a mutually agreeable solution.

The European Communities requests that the panel be established with standard terms of reference.
