

**UNITED STATES – SECTION 129(C)(1) OF THE
URUGUAY ROUND AGREEMENTS ACT**

Request for Consultations by Canada

The following communication, dated 17 January 2001, from the Permanent Mission of Canada to the Permanent Mission 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, Article XXII of the General Agreement on Tariffs and Trade 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). These consultations concern Section 129(c)(1) of the Uruguay Round Agreements Act (the URAA) and the Statement of Administrative Action accompanying the URAA (at page 1026).

In particular, in a situation in which the Dispute Settlement Body (the DSB) has ruled that the United States has, in an anti-dumping or countervailing duty proceeding, acted inconsistently with US obligations under the AD or the SCM Agreements, the US measures prohibit the United States from complying fully with the DSB ruling. Under US law, determinations whether to levy anti-dumping or countervailing duties are made after the imports occur. With regard to imports that occurred prior to a date on which the USTR directs compliance with the DSB ruling, the measures require US authorities to disregard the DSB ruling in making such determinations, even where the determination whether to levy anti-dumping or countervailing duties is made after the date fixed by the DSB for compliance. In such circumstances, determinations by the United States to levy anti-dumping or countervailing duties would be inconsistent with its obligations under the AD or SCM Agreements.

Canada considers that these measures are inconsistent with US obligations under:

- DSU Article 21.3, in the context of DSU Articles 3.1, 3.2, 3.7 and 21.1;
- Article VI of GATT 1994;
- SCM Agreement Articles 10 and note 36, 19.2, 19.4 and note 51, 21.1, 32.1-3 and .5;
- AD Agreement Articles 1, 9.3, 11.1, 18.1-4, and note 12; and

– WTO Agreement Article XVI:4.

We look forward to receiving your reply to this request and to selecting a mutually acceptable date for holding consultations within 30 days from the date of receipt of this request. Canada welcomes any suggestions that the United States may wish to make concerning dates on which the consultations could take place.
