

Original: English

**EUROPEAN COMMUNITIES - TARIFF-RATE QUOTA ON CORN GLUTEN FEED  
FROM THE UNITED STATES**

Request for Consultations by the United States

The following communication, dated 25 January 2001, from the Permanent Mission of the United States to the Permanent Delegation of the European Commission and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

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My authorities have instructed me to request consultations with the European Communities pursuant to Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), and Article 14 of the Agreement on Safeguards (Safeguards Agreement) with respect to the application by the European Communities (EC) of a tariff-rate quota (TRQ) on corn gluten feed imported from the United States.

On 20 August 1998, the EC published Council Regulation No. 1804/98 of 14 August 1998, which imposed a TRQ of 5 euros per metric ton (MT) on the first 2,730,000 MT of corn gluten feed imported into the EC from the United States. The TRQ was made applicable beginning on the earlier of 1 June 2001 or five days after the date of WTO Dispute Settlement Body's adoption of a decision that the U.S. safeguard measure on wheat gluten was "incompatible with the WTO Agreements". The EC has cited Articles 8.2 and 8.3 of the Safeguards Agreement as authority for this measure. Its representatives have stated that the DSB adoption of its recommendations and rulings in "United States - Definitive Safeguard Measures on Imports of Wheat Gluten from the European Communities" triggers the application of the TRQ.

The EC provided written notification of this measure to the Committee on Safeguards and the Council for Trade in Goods, but never placed the measure on the agenda of the Council for Trade in Goods. In addition, the EC at no point consulted with the United States on how measures imposed by the EC might meet the requirement to maintain substantially equivalent levels of concessions and other obligations to that existing under the GATT 1994. Therefore, it appears that the corn gluten feed TRQ does not satisfy the requirements of Articles 8.1, 8.2, and 8.3 of the Safeguards Agreement for a Member to suspend concessions or other obligations.

Accordingly, the imposition of the TRQ on corn gluten feed imported from the United States appears to be inconsistent with Articles I, II, and XIX of the GATT 1994, and Articles 8.1, 8.2 and 8.3 of the Safeguards Agreement. The EC's measures also appear to nullify or impair the benefits accruing to the United States directly or indirectly under the cited agreements.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for consultations.

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