

UNITED STATES - IMPOSITION OF IMPORT DUTIES ON  
AUTOMOBILES FROM JAPAN  
UNDER SECTIONS 301 AND 304 OF THE TRADE ACT OF 1974

Request for Consultations by Japan

The following communication dated 17 May 1995 from the Permanent Mission of Japan in Geneva to the Office of the United States Trade Representative in Geneva is circulated in accordance with Article 4.4 of the DSU.

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The Government of Japan hereby requests the Government of the United States of America ("the United States") to enter into consultations pursuant to Article 4 of the Understanding on Rules and Procedures governing the Settlement of Disputes ("DSU") and Article XXII:1 of the General Agreement on Tariffs and Trade 1994 ("the Agreement") with respect to the following by the Government of the United States: (1) the affirmative determination against Japan under Sections 301 and 304 of the Trade Act of 1974, as amended, made on May 10, 1995; and (2) the announcement of a list of products that could be subject to increased tariffs, made on May 16, 1995.

The Government of Japan considers that:

- (1) The measures announced on May 16, 1995, are in violation of United States obligations under the Agreement in particular but not limited to those under Articles I and II of the Agreement, thereby nullifying and impairing benefits accruing to Japan under the Agreement. The unilateral measures targeted at only Japan ignore fundamental WTO obligations not to discriminate against one country and not to impose customs duties in excess of those set forth and provided for in the Schedule of Concessions of the United States.
- (2) The announcement of an affirmative "determination" and of the above-said list as well as its eventual implementation are inconsistent with the obligations of the Government of the United States under Article 23 of the DSU which seeks "strengthening the multilateral system" by specifically prohibiting recourse to unilateral actions.
- (3) The announcement of the above-said list itself, together with a decision to withhold liquidation of entries of the listed products as of May 20, 1995, creates an immediate impact on business opportunities for the affected Japanese firms, nullifying and impairing benefits accruing to Japan under the Agreement.

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Since the Government of the United States intends to make the final determination on June 28, 1995, and has decided to withhold liquidation of entries of the listed products as of May 20, 1995, only four days after the announcement, the Government of Japan regards this matter as "a case of urgency". The announcement and implementation of the unilateral measures cause a significant negative impact on Japanese industry. The Government of Japan therefore requests that consultations be held within the period of no more than ten days after the date of receipt by the Government of the United States of this request pursuant to Article 4.8 of the DSU. The Government of Japan proposes that these consultations be held in Geneva.

In accordance with Article 4.4 of the DSU, the Government of Japan is notifying the WTO General Council, the Dispute Settlement Body, and the Council for Trade in Goods of this request for consultations.

Finally, the Government of Japan reserves the right to raise additional legal matters during the course of the consultations.