

JAPAN – MEASURES AFFECTING THE IMPORTATION OF APPLES

Notification of Mutually Agreed Solution

The following communication, dated 30 August 2005, from the delegation of Japan and the delegation of the United States to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 3.6 of the DSU.

On 20 July 2005, the WTO Dispute Settlement Body (DSB) adopted its recommendations and rulings in *Japan – Measures Affecting the Importation of Apples: Recourse to Article 21.5 of the DSU by the United States* (WT/DS245). In accordance with Article 3.6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU), the Governments of Japan and the United States wish to notify the DSB that they have reached a mutually agreed solution regarding the matters raised by the United States in this dispute.

This mutually agreed solution consists of the following elements:

1. The "Ministry of Agriculture, Forestry and Fisheries Notification No. 354 dated 10 March 1997" and "Detailed Rules for Plant Quarantine Enforcement Regulation Concerning Fresh Fruit of Apple Produced in the United States of America dated 30 June 2004" were amended on 25 August 2005.
2. These amendments eliminated certain components, including:
 - Designation of export orchards and orchard inspection
 - Buffer zone (border zone) requirements and buffer zone (border zone) inspection
 - Surface disinfection of fresh fruits
 - Chlorine disinfection of packing facilities
 - Certification and confirmation of certification of surface disinfection
3. These amendments maintain the following components:
 - Export inspection
 - Maturity test of fresh fruits under certain conditions
 - Certification and confirmation of certification that exported apples are free from fire blight disease

In light of the foregoing, and Japan's commitment to comply with its obligations under the SPS Agreement as clarified by the DSB's recommendations and rulings in this dispute, the United States hereby withdraws its request (WT/DS245/12) to the DSB pursuant to Article 22.2 of the DSU for authorization to suspend the application to Japan of concessions and other obligations under the *General Agreement on Tariffs and Trade 1994*, the SPS Agreement, and the *Agreement on Agriculture* at a level of US\$ 143.4 million on an annual basis. The United States having withdrawn its request under Article 22.2 of the DSU, Japan hereby withdraws its request (WT/DS245/13) for arbitration under Article 22.6 of the DSU objecting to the level of suspension of concessions and other obligations under the *General Agreement on Tariffs and Trade 1994*, the SPS Agreement, and the *Agreement on Agriculture* proposed by the United States.

This letter is without prejudice to the WTO rights and obligations of Japan and the United States.

(signed)
Mr Ichiro Fujisaki
Ambassador
Permanent Representative of Japan

(signed)
Mr Steven F. Fabry
Chargé d'affaires, a.i.
Permanent Mission of the United States
