

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## EUROPEAN ECONOMIC COMMUNITY - IMPORTS OF BEEF FROM CANADA

### Recourse to Article XXIII:2 by Canada

The following communication has been received from the Permanent Representative of Canada, with the request that it be circulated to contracting parties.

As part of the MFN settlement, the EEC established a 10,000 tonne levy-free tariff quota for high quality grain-fed beef which is included within a global tariff quota of 21,000 tonnes contained in the EEC Schedule of Concessions annexed to the Geneva (1979) Protocol (Schedule LXXII, Part 1, tariff No. 02.01).

The EEC initiated implementation of this 10,000 tonne high quality grain-fed beef tariff quota for 1980 through Council Regulation (EC) No. 2957/79 of 20 December 1979 and Commission Regulation (EC) No. 2972/79 of 21 December 1979.

Article 1 of the latter Regulation allocates this quota. Paragraph 1(d) of Article 1 provides for a tariff quota for 10,000 tonnes of grain-fed beef and outlines product specifications with the notation that "beef grades USDA 'choice' or 'prime' automatically meets the definition above". Annex II indicates that the United States Department of Agriculture (USDA) is the only authority empowered to issue the required certificates of authenticity under this paragraph.

Despite numerous oral and written representations to the EEC in which Canada has shown that it could certify, on an individual shipment basis, that Canadian beef meets the specifications required for access under this concession, the EEC has refused to amend this Regulation to allow for the entry of beef from Canada. Bilateral consultations under GATT Article XXIII:1 have not resulted in a satisfactory resolution of the matter.

On 9 April 1980 the EC made a decision opening the quota for 5,000 tonnes of grain-fed beef. Permits are to be issued no later than 30 May for importation between 1 June and 31 August.

The discriminatory implementation of this concession in favour of United States suppliers constitutes a breach by the EEC of Article 1 of the General Agreement and nullification of benefits accruing to Canada under the GATT.

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In the absence of a satisfactory adjustment of the matter as a result of bilateral consultations, Canadian authorities request, pursuant to Article XXIII:2, that a Panel be established to examine the compatibility with the General Agreement of the EC regulations pertaining to the implementation of the levy-free tariff quota for 10,000 tonnes of fresh, chilled or frozen high quality grain-fed beef; and to make such findings as will assist the CONTRACTING PARTIES in making recommendations and rulings as appropriate.