

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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**UNITED STATES - STANDARDS FOR REFORMULATED
AND CONVENTIONAL GASOLINE**

Recourse to Article XXIII:2 by Venezuela

The following communication, dated 22 September 1994, has been received from the Permanent Mission of Venezuela with the request that the matter be inscribed on the Agenda of the Council meeting on 4 October 1994.

As we have explained on previous occasions¹, the United States Environmental Protection Agency (EPA) adopted on 15 December 1993 a final decision with respect to the "Regulation of Fuels and Fuel Additives - Standards for Reformulated and Conventional Gasoline" (the "Gasoline Regulation"), which is inconsistent with the United States' obligations under the GATT and nullifies and impairs the benefits derived by Venezuela under the General Agreement.

Consequently, in January 1994, the Government of Venezuela requested the formal commencement of consultations with the Government of the United States under Article XXII:1 of the General Agreement. The consultations were extended beyond the 60-day period established in paragraph C2 of the Decision of 12 April 1989 relating to Improvements to the GATT Dispute Settlement Rules and Procedures ("1989 Decision") on the basis of the proposal made by the Government of the United States to expedite the administrative procedures needed to find terms acceptable to Venezuela to amend the afore-mentioned Regulation. On the basis of this understanding the item relating to the establishment of a panel in GATT was withdrawn from the agenda of the meeting of the Council of Representatives held on 23 March, while Venezuela reserved the right to renew the request for its establishment.

Considering that both houses of the United States Congress decided against allocating funds to the Environmental Protection Agency (EPA) to sign, promulgate, implement or ensure observance of the amendment proposed by the EPA on 3 May 1994, and having exhausted all bilateral channels to find a satisfactory solution to this matter, Venezuela requests the establishment of a panel under Article XXIII:2 of the General Agreement and in accordance with procedures established in the 1989 Decision.

The purpose of the panel would be to examine the incompatibility of the Gasoline Regulation with the provisions of Articles I, III, VIII and XI, the nullification and impairment of the benefits derived by Venezuela under the General Agreement and any other effect that the Gasoline Regulation may have on Venezuela's gasoline exports to the United States.

The Permanent Mission of Venezuela would like to avail itself of this opportunity to renew to the Secretariat of the General Agreement on Tariffs and Trade (GATT) the assurances of its highest consideration.

¹Council of Representatives, 23 January and 23 March 1994 (Documents DS47/1 and 2)