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<u>UNITED STATES - STANDARDS FOR REFORMULATED</u> <u>AND CONVENTIONAL G</u>ASOLINE

Status Report by the United States

Addendum

The following communication, dated 13 February 1997, from the Permanent Mission of the United States to the Permanent Missions of Brazil and Venezuela and to the Dispute Settlement Body, is circulated at the request of the United States.

Status Report Regarding Implementation of the Recommendations and Rulings in the Dispute Regarding *United States - Standards for Reformulated and Conventional Gasoline*Panel Report (WT/DS2/R) and Appellate Body Report (WT/DS2/AB/R)

In keeping with the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU"), on 9 January 1997, the United States submitted its first report on the status of implementation of the dispute regarding *United States - Standards for Reformulated and Conventional Gasoline*. This matter will again be on the agenda for the meeting of the Dispute Settlement Body ("DSB") on 25 February 1997 and, as provided for in Article 21:6 DSU, the United States presents its second report.

Given the short interval since the last report, there are only limited developments to report. As offered at the last meeting of the DSB, the United States has since provided Brazil and Venezuela a description of the regulatory review process that is under way. The U.S. Environmental Protection Agency (EPA) is continuing its evaluation of compliance options.

At the last meeting of the DSB, questions were raised as to whether the U.S. implementation process would yield a timely result. While the regulatory review that EPA is conducting is a multi-step process and involves highly complex questions of a technical and practical nature, the United States remains committed to a 15-month period of time for implementation of the DSB's rulings and recommendations as reported to the DSB in December 1996.