

**MEXICO – TAX MEASURES ON SOFT DRINKS
AND OTHER BEVERAGES**

Request by the United States for Arbitration under Article 21.3(c) of the DSU

The following communication, dated 22 June 2006, from the delegation of the United States to the Chairman of the Dispute Settlement Body, is circulated at the request of that delegation.

On 24 March 2006, the Dispute Settlement Body ("DSB") adopted the Appellate Body report and the panel report (as modified by the Appellate Body report) in the dispute *Mexico – Tax Measures on Soft Drinks and Other Beverages* (WT/DS308/AB/R and WT/DS308/R). Discussions between the United States and Mexico have so far not allowed the parties to reach an agreement on the reasonable period of time for Mexico to comply with the recommendations and rulings of the DSB. In the absence of such an agreement, the United States requests that the reasonable period of time be determined through binding arbitration pursuant to Article 21.3(c) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU").

The United States will enter in consultations with Mexico with a view to reaching agreement on the arbitrator within the time period mentioned in footnote 12 of the DSU.
