

BRAZIL – MEASURES AFFECTING IMPORTS OF RETREADED TYRES

Status Report by Brazil

Addendum

The following communication, dated 20 August 2009, from the delegation of Brazil to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the
DSB Recommendations and Rulings in the Dispute
Brazil – Measures Affecting Imports of Retreaded Tyres
(WT/DS332)

1. Brazil submits this report in accordance with Article 21.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes.
 2. On 17 December 2007, the Dispute Settlement Body ("DSB") adopted the Panel and the Appellate Body reports in *Brazil – Measures Affecting Imports of Retreaded Tyres* (WT/DS332). At the DSB meeting on 15 January 2008, Brazil informed the DSB of its intention to implement the recommendations and rulings of the DSB. At the same meeting, Brazil stated that it would need a "reasonable period of time" to do so, according to Article 21.3 of the DSU.
 3. In January 2008, Brazil and the EC initiated discussions with a view to agreeing on a "reasonable period of time". The matter was referred to arbitration by the EC pursuant to Article 21.3(c) of the DSU on 4 June 2008. The Arbitrator was composed by the Director-General on 26 June 2008. The arbitration award, circulated on 29 August 2008, established that the reasonable period of time for the implementation was 12 months.
 4. As announced in Brazil's previous status report in this dispute (WT/DS332/19/Add.4), on 24 June 2009 Brazil's Supreme Court found that the importation of used tyres violates fundamental precepts enshrined in Brazil's Constitution, including the rights to health and to a balanced environment. Thus, lower courts' decisions authorizing the importation of used tyres into Brazil have lost their legal effects.
 5. The Supreme Court's decision was sought by the Executive Branch in order to enhance Brazil's environmental and public health policy relating to the risks associated with the generation, transportation and accumulation of used tyres. As Brazil explained in its previous status report, such decision constitutes a major step taken by Brazil to achieve full compliance with the recommendations and rulings adopted by the DSB in this dispute.
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