

WORLD TRADE ORGANIZATION

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REVIEW OF THE EXEMPTION PROVIDED UNDER PARAGRAPH 3 OF GATT 1994

Response by the United States to the Communication from Japan Regarding the Review Pursuant to Paragraph 3 of GATT 1994

The following communication, dated 17 December 2007, is being circulated at the request of the Delegation of the United States.

Question 1

Japan would like to point out that some data contained in the tables regarding US shipyard deliveries from 2001 to 2005 on pages 2 and 3 of the report (WT/L/680) seem to be inconsistent, although these tables are based on the same sources (see the following examples). The relationship between the data of the two tables should be clarified and corrected data should be provided if necessary.

Answer:

We agree an error occurred in the formulation in those two specific data cells of the table, which we have corrected.

Question 2

The US puts notes in the report that "Cancelled or delayed vessel orders may not be accurately reflected in the report". However, we believe that the US should provide relevant information that accurately reflects the current circumstances of US shipyards. Therefore, we request the US to provide more accurate information based on sources other than Lloyd's Maritime Information Services if the Lloyd's information is insufficient.

Answer:

Lloyd's Maritime Information Services holds one of the World's most comprehensive electronic shipping databases. The information provided by Lloyd's has limitations that we have acknowledged in our previous submissions. The Maritime Administration strives to ensure that the information (expressed or implied) is correct. Every precaution has been taken to provide accurate and up-to-date information. However the Maritime Administration cannot be responsible for any error or omission caused by a third party, such as Lloyd's.

Question 3

According to the US's response, it does not have a specific quantitative threshold or criteria for shipbuilding or maintenance capacity for national security. Without such threshold or criteria, how can the US assess its shipbuilding or maintenance capacity? We are concerned that lack of the threshold and criteria would allow the US to make arbitrary decision and that the exemption would be permitted forever.

Answer:

Qualitative not quantitative assessments are made by the US Department of Defense in conjunction with the Department of Homeland Security and other national security agencies. As the nature of the threats has changed over the years, the assessment of the level of security needed is constantly being examined and refined.

Question 4

"Pontoon" is listed in the report. According to the US's response, Pontoon is considered a vessel and registered in US Coast Guard vessel documentation. Since it is used at a fixed point, we believe that Pontoon should not be covered by "vessels in commercial applications between points in national waters or the waters of an exclusive economic zone" in the context of GATT paragraph 3(a). Could the US elaborate on this?

Answer:

We agree and the inclusion of a pontoon was an inadvertent error, which has been corrected.

Question 5

According to the US's response, the additional information on the use, sale, lease and the repairing of relevant vessels stipulated in paragraph 3(c) of GATT 1994 is not available. We request the US to provide this information shortly, since the US has an obligation to submit this annually pursuant to the paragraph.

Answer:

As we have reported earlier we still do not have a source for this information.
