



8 December 2015

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**UNITED STATES - CERTAIN COUNTRY OF ORIGIN  
LABELLING (COOL) REQUIREMENTS**

**RECOURSE BY MEXICO TO ARTICLE 22.7 OF THE DSU**

The following communication, dated 7 December 2015, from the delegation of Mexico to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 22.7 of the DSU.

Upon instructions from my authorities, I hereby request that a special meeting of the Dispute Settlement Body (DSB) be held on 18 December 2015 and that the following item be included in the agenda:

*United States - Certain Country of Origin Labelling  
(COOL) Requirements (DS386).*

*- Request by Mexico to suspend obligations in  
conformity with Article 22.7 of the DSU*

On 23 July 2012, the DSB adopted the Appellate Body report and the modified panel report. In those reports, it was found that the measure on country of origin labelling (COOL) adopted by the United States was inconsistent with the obligations of Article 2.1 of the *Agreement on Technical Barriers to Trade* (TBT Agreement). The DSB recommended that the United States bring the COOL measure into conformity with its obligations.

In this connection, the United States informed the DSB that it intended to implement the DSB recommendations and rulings. On 23 May 2013, the United States Department of Agriculture introduced administrative amendments to the COOL measure (amended COOL measure). In Mexico's opinion, those amendments did not bring the United States into compliance with the recommendations and rulings of the DSB, and Mexico therefore initiated a proceeding under Article 21.5 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU).

The compliance panel found that the amended COOL measure is inconsistent with Article 2.1 of the TBT Agreement and Article III:4 of the *General Agreement on Tariffs and Trade 1994* (GATT 1994). The Appellate Body report circulated to WTO Members on 18 May 2015 upheld the Panel's conclusions on Article 2.1 of the TBT Agreement and Article III:4 of the GATT 1994. On 29 May 2015, the DSB adopted the Article 21.5 Appellate Body report and the compliance panel report, as modified by the Appellate Body report.

On 17 June 2015, in accordance with Article 22 of the DSU and the "Agreed Procedures under Articles 21 and 22 of the Dispute Settlement Understanding"<sup>1</sup>, Mexico requested authorization from the DSB to suspend the application to the United States of tariff concessions and other related obligations in the goods sector under the GATT 1994.<sup>2</sup>

<sup>1</sup> WT/DS386/24.

<sup>2</sup> WT/DS386/35.

On 22 June 2015, the United States objected to the level of suspension of concessions or other obligations under the GATT 1994 proposed by Mexico.<sup>3</sup>

Consequently, in accordance with the provisions of Article 22.6 of the DSU, the matter was referred to arbitration.

The Arbitrator issued its decision on 7 December 2015<sup>4</sup>, in which it determined the level of nullification or impairment caused to Mexico by the COOL measure.

In accordance with Article 22.7, Mexico requests authorization from the DSB to suspend the application to the United States of tariff concessions and other related obligations in the goods sector under the GATT 1994 in an amount of US\$227.758 million annually.

Mexico will implement the suspension of tariff concessions and other related obligations by increasing import tariffs on goods from the United States.

Mexico will submit the details of this measure at the earliest possible date.

Finally, I request that this communication be circulated to all Members.

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<sup>3</sup> WT/DS386/36.

<sup>4</sup> WT/DS386/ARB.