ARTICLE XVIII, SECTION D. PROCEDURES RELATING TO
BOUND ITEMS

Proposal by the Delegation of the United States

The delegation of the United States, at a meeting of the Working Party on
7 February, proposed that procedures relating to measures imposed under Section
D, paragraph 22, on bound items make explicit the right of an affected contracting
party to choose either to accept compensation offered or to make a compensatory
modification or withdrawal in situations where agreement to the imposition of a
measure had not been reached among the interested parties. The United States
delegation proposes the adoption of the procedures outlined below.

22. bis. If the proposed measure affects imports of a product which is the
subject of a concession under Article II of this Agreement, the contracting party
concerned shall enter into negotiation with any other contracting party with which
the concession was initially negotiated and with any other contracting parties
which the Organization determines to have a substantial interest in the concession.
The Organization shall concur in the measure, and the contracting party concerned
shall thereupon be released from its obligations under the relevant provisions of
the other Articles of the Agreement to the extent necessary to apply the measure,
if the Organization agrees that there is no measure consistent with the other
provisions of this Agreement which is practicable in order to achieve the objective
outlined in paragraph 13 above and is satisfied:

(a) that agreement has been reached with the contracting parties with which
provision for negotiation is made, or

(b) if no such agreement has been reached within a period of sixty days
after the negotiating countries have been determined by the Organization,
that the contracting party concerned has not unreasonably failed to offer
adequate compensation; provided that the contracting parties with which
provision for negotiations is made shall be free, not later than six
months after the Organization has concurred in the measure and upon
thirty days' written notice to the Organization, to suspend with respect
to the trade of the contracting party concerned concessions or other
obligations substantially equivalent to the impairment due to the
introduction of the measure in question.