COMMUNICATION FROM THE UNITED STATES

The following communication has been received from the Office of the United States Trade Representative on 8 November 1994.

In response to your communication of 26 October, my government has reviewed the documents contained in document AIR/W/98 with a view to taking a formal decision at the Aircraft Committee meeting scheduled for 10 November on the question of adopting the proposed Protocol (1994) Amending the Agreement on Trade in Civil Aircraft (Annex I) and the companion Proposed Decision of the Signatories (Annex II).

With respect to the Proposed Decision of the Signatories (Annex II), my government is concerned that the suggested language is less clear than it should be; and therefore, subsequent questions may arise with respect to the interpretation of the Agreement on Trade in Civil Aircraft as revised by the proposed Protocol (1994). Although paragraph 1 of the Proposed Decision of the Signatories adequately addresses concerns raised by one other party, the originally proposed version of paragraph 2 falls short of satisfying the concerns that we had raised in conjunction with our letter to you of 18 October. Specifically, paragraph 2 of the Proposed Decision and the modification to Article 8.8 resulting from the Proposed Protocol could create ambiguities about the relationship between the amended Agreement on Trade in Civil Aircraft and the Agreement on Subsidies and Countervailing Measures, that do not exist in the relationship between the current Aircraft Agreement and the 1979 Subsidies Code.

We, therefore, submit the attached revised language for paragraph 2 of the Proposed Decision of the Signatories and request that it and this letter be circulated to the other Signatories for their consideration in conjunction with their taking a decision on joint adoption of the proposed Protocol and Decision. If this revised language is acceptable to the other Signatories, it is my expectation that my government would be prepared to approve the proposed protocol, subject to agreement on any minor technical changes to the language necessary to correctly identify ground maintenance simulators within the 9023 tariff line item.
ANNEX II

Decision of the Signatories to the Agreement on
Trade in Civil Aircraft in connection with the conclusion of
the Protocol (1994) Amending the Agreement on Trade in Civil Aircraft

1. The conclusion of the process of amending the Agreement on Trade in Civil Aircraft in order to ensure its proper operation as a Plurilateral Trade Agreement included in Annex 4 of the Agreement Establishing the World Trade Organization does not represent the completion of the negotiations under Article 8.3 of the Agreement on Trade in Civil Aircraft started pursuant to the Decision of the Committee of 16 July 1992 (AIR/M/32), nor does it mean that specific multilateral rules have been established within the meaning of footnotes 15 and 24 of the Agreement on Subsidies and Countervailing Measures annexed to the Agreement Establishing the World Trade Organization (hereinafter "Agreement on Subsidies and Countervailing Measures").

2. Signatories agree that nothing in this Agreement shall affect the interpretation of the Agreement on Subsidies and Countervailing Measures or its application to trade in civil aircraft. Any dispute concerning subsidies that arises in connection with trade in civil aircraft shall continue to be governed exclusively by the disciplines of the Agreement on Subsidies and Countervailing Measures.