

*Chile – Price Band System and Safeguard Measures
Relating to Certain Agricultural Products*

(WT/DS207)

**Answer of the United States to the Panel Question
Presented Following the Meeting with the Third Parties**

August 16, 2006

- 110. (United States) During the meeting with the Panel, quoting the Appellate Body, the US stated that "if the price band system is found to be inconsistent with Article 4.2 of the Agreement on Agriculture, it is not necessary to consider whether [it] also results in a breach of Article II:1(b) of the GATT 1994". The US added that "[a]pplying this reasoning, we believe that this Panel can properly end its analysis in this proceeding with a finding under Article 4.2 of the Agreement on Agriculture" (see paragraph 25 of the written version of the US's oral statements). Is the US suggesting that, while Argentina's claim under the second sentence of Article II:1(b) of the GATT 1994 falls within the mandate of this Panel, the Panel could exercise judicial economy regarding this particular claim?**

1. The United States does not present a view as to whether Argentina's claim under the second sentence of Article II:1(b) of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") falls within the Panel's mandate. The United States simply notes that, given the Appellate Body's reasoning in the original dispute regarding the sufficiency of a finding on the basis of Article 4.2 of the *Agreement on Agriculture* to resolve the dispute, this Panel would not need to address the claim under Article II of the GATT 1994 – including any question of whether the claim is within its mandate – if the Panel were to "find first that Chile's price band system is inconsistent with Article 4.2 of the *Agreement on Agriculture*."¹

¹ Appellate Body Report, *Chile – Price Band System and Safeguard Measures Relating to Certain Agricultural Products*, WT/DS207/AB/R, adopted 23 October 2002, para. 190.