

**ARTICLE XXVIII:5 NEGOTIATIONS**

Article XXVIII:3 Notification in Response to Actions  
by the European Communities With Respect to Husked and Milled Rice

Schedule XX - United States of America\*

Addendum

The following communication, dated 28 January 2005, is being circulated at the request of the Delegation of the United States.

The European Communities, in document G/SECRET/18 (2 July 2003), notified the World Trade Organization and its Members of its intention to modify the tariff concessions on items 100620 (husked rice) and 100630 (milled rice) in Schedule CXL of the European Communities annexed to the General Agreement on Tariffs and Trade (GATT 1994). As a principal supplier of husked rice to the European Communities, the United States engaged in bilateral negotiations with the European Communities under Article XXVIII of the GATT 1994 to obtain compensatory adjustments for the proposed modification to the tariff concession on husked rice. To date, these negotiations have not resulted in an agreement on compensatory adjustments.

The tariff concessions on the above-referenced items have not been formally withdrawn, nor has any waiver been granted to suspend or withdraw the existing tariff concessions. However, the European Communities, on 1 September 2004, put into effect the new tariff rates on husked and milled rice imports. These new tariff rates are higher than the rates in the European Communities Schedule of Concessions. As a result of this action, the access of imports of husked rice imports from the United States has been impaired.

Unless an agreement can be reached regarding compensation, the United States will find it necessary to exercise its rights under Article XXVIII:3 to withdraw substantially equivalent tariff concessions on products of interest to the European Union. Accordingly, the United States hereby notifies Members that it withdraws the concessions in Schedule XX on the tariff items listed in the attachment to this notice. Unless the United States provides further notice to the Members, the withdrawal of these concessions shall take effect at midnight on 1 March 2005.

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\* In English only

HSCode	Product
04031090	Yogurt, not in dry form, whether or not flavored or containing add fruit or cocoa
04063085	Processed cheese (incl. mixtures), nesoi, n/o 0.5% by wt. butterfat, not grated or powdered, subject to Ch4 US note 23, not GN15
07052100	Witloof chicory, fresh or chilled
07108065	Brussels sprouts, uncooked or cooked by steaming or boiling in water, frozen, not reduced in size
08052000	Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, fresh or dried
09042020	Paprika, dried or crushed or ground
09102000	Saffron
20019025	Artichokes, prepared or preserved by vinegar or acetic acid
20032000	Truffles, prepared or preserved otherwise than by vinegar or acetic acid
20049010	Antipasto, prepared or preserved otherwise than by vinegar or acetic acid, frozen
20057050	Olives (not green) in a saline solution, canned, not pitted
20057070	Olives (not green), in a saline solution, in airtight containers of glass or metal but not canned
20057075	Olives (not green) in a saline solution, not canned, nesoi
20059030	Sauerkraut, prepared or preserved otherwise than by vinegar or acetic acid, not frozen
20087020	Peaches (excluding nectarines), otherwise prepared or preserved, not elsewhere specified or included

Note: The product descriptions supplied above for the items of the Harmonized Tariff Schedule of the United States ("HTS") are for the convenience of the reader and are not intended to delimit in any way the scope of the products that would be subject to increased duties.

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