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1 ARTICLE 8 OF THE AGREEMENT ON TRADE IN CIVIL AIRCRAFT

1.1 Text of Article 8

Article 8

Surveillance, Review, Consultation, and Dispute Settlement

8.1 There shall be established a Committee on Trade in Civil Aircraft (hereinafter referred to as "the Committee") composed of representatives of all Signatories. The Committee shall elect its own Chairman. It shall meet as necessary, but not less than once a year, for the purpose of affording Signatories the opportunity to consult on any matters relating to the operation of this Agreement, including developments in the civil aircraft industry, to determine whether amendments are required to ensure continuance of free and undistorted trade, to examine any matter for which it has not been possible to find a satisfactory solution through bilateral consultations, and to carry out such responsibilities as are assigned to it under this Agreement, or by the Signatories.

8.2 The Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such review.

8.3 Not later than the end of the third year from the entry into force of this Agreement and periodically thereafter, Signatories shall undertake further negotiations, with a view to broadening and improving this Agreement on the basis of mutual reciprocity.

8.4 The Committee may establish such subsidiary bodies as may be appropriate to keep under regular review the application of this Agreement to ensure a continuing balance of mutual advantages. In particular, it shall establish an appropriate subsidiary body in order to ensure a continuing balance of mutual advantages, reciprocity and equivalent results with regard to the implementation of the provisions of Article 2 above related to product coverage, the end-use systems, customs duties and other charges.

8.5 Each Signatory shall afford sympathetic consideration to and adequate opportunity for prompt consultation regarding representations made by another Signatory with respect to any matter affecting the operation of this Agreement.

8.6 Signatories recognize the desirability of consultations with other Signatories in the Committee in order to seek a mutually acceptable solution prior to the initiation of an investigation to determine the existence, degree and effect of any alleged subsidy. In those exceptional circumstances in which no consultations occur before such domestic procedures are initiated, Signatories shall notify the Committee immediately of initiation of such procedures and enter into simultaneous consultations to seek a mutually agreed solution that would obviate the need for countervailing measures.

8.7 Should a Signatory consider that its trade interests in civil aircraft manufacture, repair, maintenance, rebuilding, modification or conversion have been or are likely to be adversely affected by any action by another Signatory, it may request review of the matter by the Committee. Upon such a request, the Committee shall convene within thirty days and shall review the matter as quickly as possible with a view to resolving the issues

involved as promptly as possible and in particular prior to final resolution of these issues elsewhere. In this connection the Committee may issue such rulings or recommendations as may be appropriate. Such review shall be without prejudice to the rights of Signatories under the GATT or under instruments multilaterally negotiated under the auspices of the GATT, as they affect trade in civil aircraft. For the purposes of aiding consideration of the issues involved, under the GATT and such instruments, the Committee may provide such technical assistance as may be appropriate.

8.8 Signatories agree that, with respect to any dispute related to a matter covered by this Agreement, but not covered by other instruments multilaterally negotiated under the auspices of the GATT, the provisions of Articles XXII and XXIII of the General Agreement and the provisions of the Understanding related to Notification, Consultation, Dispute Settlement and Surveillance shall be applied, *mutatis mutandis*, by the Signatories and the Committee for the purposes of seeking settlement of such dispute. These procedures shall also be applied for the settlement of any dispute related to a matter covered by this Agreement and by another instrument multilaterally negotiated under the auspices of the GATT, should the parties to the dispute so agree.

1.2 Committee on Trade in Civil Aircraft

1. The Committee on Trade in Civil Aircraft reviews annually the implementation of the Agreement on Trade in Civil Aircraft ("Civil Aircraft Agreement") pursuant to Article 8.2 thereof and submits an annual report to the General Council pursuant to Article IV.8 of the WTO Agreement.¹ From 1980 through 1995, the Committee submitted its annual reports to the GATT Council.²

1.3 Negotiations pursuant to Article 8.3

2. In July 1982, the Committee began a process of examining proposals to broaden and improve the Civil Aircraft Agreement. Negotiations conducted under Article 8.3 thereof led to a package extending the coverage of the Annex to the Civil Aircraft Agreement, which was implemented through the Third Certification of Modifications and Rectifications to the Annex, certified effective 1 January 1985.³

3. On 16 July 1992, in response to a proposal by the European Communities and the United States, the Committee agreed to open negotiations under Article 8.3 of the Civil Aircraft Agreement. The Committee agreed that these negotiations would be conducted in a Sub-Committee and would be open to signatories and to interested non-signatories.⁴ The Sub-Committee has not met since its fourteenth meeting in November 1995.⁵

1.4 Subsidiary bodies

4. At its meeting of 20 February 1980, the Aircraft Committee established a Technical Sub-Committee⁶, with the following terms of reference:

¹ [WT/L/193](#) for 1996, [WT/L/247](#) for 1997, [WT/L/291](#) for 1998, [WT/L/340](#) and [Corr.1](#) for 1999, [WT/L/374](#) for 2000, [WT/L/434](#) for 2001, [WT/L/500](#) for 2002, [WT/L/544](#) and [Corr.1](#) for 2003, [WT/L/591](#) for 2004, [WT/L/629](#) for 2005, [WT/L/665](#) for 2006, [WT/L/701](#) for 2007, [WT/L/743](#) for 2008, [WT/L/773](#) for 2009, [WT/L/805](#) for 2010, [WT/L/827](#) for 2011, [WT/L/869](#) for 2012, [WT/L/897](#) for 2013, [WT/L/938](#) for 2014, [WT/L/963](#) for 2015, [WT/L/992](#) for 2016, and [WT/L/1016](#) for 2017.

² GATT document [L/5075](#) (BISD 27S/41) for 1980; [L/5225](#) (BISD 28S/42) for 1981; [L/5411](#) (BISD 29S/58) for 1982; [L/5554](#) (BISD 30S/65) for 1983; [L/5698](#) (BISD 31S/281) for 1984; [L/5880](#) (BISD 32S/181) for 1985; [L/6056](#) (BISD 33S/223) for 1986; [L/6259](#) (BISD 34S/216) for 1987; [L/6415](#) (BISD 35S/389) for 1988; [L/6587](#) (BISD 36S/460) for 1989; [L/6767](#) (BISD 37S/320) for 1990; [L/6937](#) (BISD 38S/103) for 1991; [L/7101](#) (BISD 39S/448) for 1992; [L/7294](#) (BISD 40S/517) for 1993; [L/7557](#) (BISD 41S/720) for 1994; [L/7655](#), [WT/L/107](#) (BISD 42S/235) for 1995.

³ BISD 31S/5.

⁴ GATT document [AIR/M/32](#), paras. 25-40. Documents from these negotiations can be found in the GATT documents [AIR/RN/1](#) through [AIR/RN/12](#) and the records of the Sub-committee's work can be found in the GATT documents [AIR/70-79](#) and [AIR/81-82](#).

⁵ [TCA/1](#). See also [TCA/M/4](#), paras. 18-25.

⁶ GATT document [AIR/M/1](#), paras. 36-40.

"1. Pursuant to Article 8.4, to examine the implementation of the provisions of Article 2 related to product coverage, the end-use system, customs duties and other charges, including matters relating to aircraft tariff nomenclature, and to report to the Committee.

2. In the light of the Preamble of the Agreement, to examine proposals for modifying the product coverage and to report thereon to the Committee."⁷

5. At its meeting of 16 July 1992, the Aircraft Committee also established the Sub-Committee of the Committee on Trade in Civil Aircraft in which negotiations under Article 8.3 of the Civil Aircraft Agreement would be conducted.⁸ The Sub-Committee has not met since its fourteenth meeting in November 1995.⁹

1.5 Dispute settlement

6. The application of dispute settlement under the Civil Aircraft Agreement and its relation to dispute settlement under other agreements was discussed in March 1991 and April 1991.¹⁰

7. The Civil Aircraft Agreement is listed as a "covered agreement" in Appendix 1 of the Dispute Settlement Understanding. Appendix 1 provides that "[t]he applicability of this Understanding to the Plurilateral Trade Agreements shall be subject to the adoption of a decision by the parties to each agreement setting out the terms for the application of the Understanding to the individual agreement, including any special or additional rules or procedures for inclusion in Appendix 2, as notified to the DSB." From 1993 to 1997, on a number of occasions, the Committee discussed possible terms for rectification of the Civil Aircraft Agreement, including terms for application of the rules and procedures of the Dispute Settlement Understanding to disputes under the Agreement. As the Committee was unable to reach agreement on such a decision, as of February 2018, the Dispute Settlement Understanding still did not apply to disputes brought under the Civil Aircraft Agreement.

Current as of: March 2020

⁷ GATT documents [AIR/M/1](#), para. 38; and [AIR/3](#).

⁸ GATT document [AIR/M/32](#), para. 35. See also GATT document [AIR/M/34](#), paras. 6-11.

⁹ [TCA/1](#). See also [TCA/M/4](#), paras. 18-25.

¹⁰ See GATT documents [AIR/W/80](#), [AIR/W/81](#), [AIR/W/82](#), [AIR/W/84](#), [AIR/W/85](#), [AIR/M/29](#), and [AIR/M/30](#).