

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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UNITED STATES - RECLASSIFICATION OF MACHINE-THRESHED TOBACCO

Recourse to Article XXIII:1 by the European Communities

The following communication, dated 21 September 1983 and addressed to the delegation of the United States, has been received from the delegation of the Commission of the European Communities. It is circulated hereunder for the information of contracting parties.

By decision of 9 June published in the Customs Bulletin on 27 July and applicable from 26 August the United States has reclassified machine-threshed tobacco to exclude it from TSUS tariff heading 170.80 where it is subject to bound duty of 17.5 cts/lb., and include it instead under heading TSUS 170.35 where it is subject to a consolidated customs duty of 32 cts/lb.

This product has already been reclassified by the United States, in May 1980, when the consolidated customs duty was increased from 16.1 to 17.5 cts/lb. to the detriment of exporters of machine-threshed tobacco in the European Economic Community.

The consultations requested by the European Economic Community at that time under Article XXII(1) of the General Agreement did not result in a modification of the decision by the United States customs authorities.

The various representations that the Community authorities have made to the United States authorities on this matter, from the time when the application for the new reclassification was published in the Federal Register onwards, have not led to any result.

The Community, as the United States' principal supplier of machine-threshed tobacco, considers that the concession that the United States has agreed to in the GATT on this product is impaired as a result of the failure of the United States in this case to carry out its obligations which it has contracted under the General Agreement and in particular Article II thereof.

The European Economic Community therefore requests the United States authorities for consultations under Article XXIII(1) of the General Agreement on this matter.

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