

**UNITED STATES – DEFINITIVE SAFEGUARD MEASURES ON
IMPORTS OF CIRCULAR WELDED CARBON QUALITY LINE PIPE
FROM KOREA**

*Arbitration
under Article 21.3(c) of the
Understanding on Rules and Procedures
Governing the Settlement of Disputes*

Report of the Arbitrator
Yasuhei Taniguchi

1. On 8 March 2002, the Dispute Settlement Body (the "DSB") adopted the Appellate Body Report¹ and the Panel Report², as modified by the Appellate Body Report, in *United States – Definitive Safeguard Measures on Imports of Circular Welded Carbon Quality Line Pipe from Korea* ("US – Line Pipe").³ At the DSB meeting of 5 April 2002, the United States informed the DSB, pursuant to Article 21.3 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (the "DSU"), that it would implement the recommendations and rulings of the DSB in this dispute in a manner that respects its obligations and that it would require a "reasonable period of time" to do so, pursuant to the terms of Article 21.3 of the DSU.⁴

2. In view of the parties' inability to reach an agreement on the period of time reasonably required for implementation of those recommendations and rulings, Korea requested, in a letter dated 29 April 2002, that such period be determined by binding arbitration pursuant to Article 21.3(c) of the DSU.⁵

3. In the absence of an agreement between the parties on the appointment of an arbitrator within 10 days after referring the matter to arbitration, Korea requested, in a letter dated 13 May 2002, the Director-General of the World Trade Organization (the "WTO") to appoint the arbitrator, as provided for in footnote 12 to Article 21.3(c) of the DSU. After consultations with the parties, the Director-General decided, on 23 May 2002, to appoint me as the arbitrator in this matter.⁶ On the same day, the parties were informed of my acceptance of the designation as arbitrator.

4. In subsequent letters to me, the parties indicated that they agreed to extend the deadline for completion of the arbitration to 12 July 2002. Notwithstanding this extension of the 90-day time period stipulated in Article 21.3(c) of the DSU, the parties confirmed that the arbitration award shall be deemed to be an award issued under Article 21.3(c) of the DSU.⁷

5. Written submissions were received from the United States and Korea on 3 June 2002, and an oral hearing was held on 12 June 2002.

6. By joint letter of 12 July 2002, the parties requested that I delay the issuance of the award until 22 July 2002, in order to allow time for additional bilateral discussions. The parties also

¹Appellate Body Report, WT/DS202/AB/R, adopted 8 March 2002.

²Panel Report, WT/DS202/R, adopted 8 March 2002, as modified by the Appellate Body Report, WT/DS202/AB/R.

³WT/DS202/13.

⁴WT/DSB/M/122.

⁵WT/DS202/14.

⁶WT/DS202/16.

⁷Korea's letter of 30 May 2002; United States' letter of 3 June 2002.

confirmed that should the arbitration award be issued on 22 July 2002, it would be deemed to be an award issued pursuant to Article 21.3(c) of the DSU.

7. I informed the parties by letter dated 12 July 2002 that I agreed to delay the issuance of the award until 22 July 2002, to give the parties a further opportunity to seek agreement on a reasonable period of time for compliance in this matter.

8. Additional joint requests for delay were received on 19 and 22 July 2002, wherein the parties requested that the award pursuant to Article 21.3(c) of the DSU be delayed until 24 July 2002 and 26 July 2002, respectively. I informed the parties by letters dated 19 and 22 July 2002 that I agreed to the requests.

9. By letters dated 24 July 2002, the parties informed me that they had reached agreement on the reasonable period of time for compliance in this matter. Under the circumstances, it will not be necessary for me to issue an award in this arbitration.

Signed in the original at Geneva this 24th day of July 2002 by:

Yasuhei Taniguchi

Arbitrator