

### Major Issues Raised by the United States

The Philippines' Motor Vehicle Development Program (the "MVDP") provides tariff advantages to motor vehicle manufacturers located in the Philippines who meet certain requirements, including at least the following. First, manufacturers are required to use parts and components produced in the Philippines; the amount required varies by type and size of vehicle. Second, manufacturers are required to earn a percentage of the foreign exchange needed to import those parts and components by exporting finished vehicles; again, the percentage varies by type and size of vehicle. Compliance with these requirements entitles manufacturers to import parts, components and finished vehicles at a preferential rate. The United States also understands that foreign manufacturers' import licenses for parts, components and finished vehicles are conditioned on compliance with these requirements.

The MVDP appears to require outright that manufacturing firms in the motor vehicle sector must achieve specified levels of purchase or use of domestic content, and that they must achieve a neutralization of foreign exchange and balance the value of certain imports with the value of exports of motor vehicles and components. Moreover, it appears that manufacturing firms in the motor vehicle sector must comply with these requirements in order to obtain import licenses for certain motor vehicle parts and components; to obtain foreign exchange for those imports; and to obtain the right to import at preferential rates. Finally, it appears that the Philippines is providing a subsidy that is contingent upon the use of domestic over imported goods.

The Philippines notified the WTO in 1995 that it was applying these measures. The Philippines made that notification pursuant to Article 5.1 of the Agreement on Trade-Related Investment Measures, which allowed WTO Members to notify measures that were not in conformity with the provisions of that Agreement and thereby obtain an additional five years (until January 1, 2000) to bring such measures into conformity with that Agreement.

On May 23, 2000, the United States requested consultations with the Philippines under certain WTO agreements regarding those provisions of the MDVP. The U.S. consultation request alleged that these MVDP provisions are inconsistent with the Philippines' obligations under Articles III:4, III:5 and XI:1 of the GATT 1994,

Articles 2.1 and 2.2 of the Agreement on Trade-Related Investment Measures, and Article 3.1(b) of the Agreement on Subsidies and Countervailing Measures.

### Public Comment: Requirements for Submissions

Interested persons are invited to submit written comments concerning the issues raised in the dispute. Comments must be English and provided in fifteen copies. A person requesting that information contained in a comment submitted by that person be treated as confidential business information must certify that such information is business confidential and would not customarily be released to the public by the commenter. Confidential business information must be clearly marked "BUSINESS CONFIDENTIAL" in a contrasting color ink at the top of each page of each copy.

Information or advice contained in a comment submitted, other than business confidential information, may be determined by USTR to be confidential in accordance with section 135(g)(2) of the Trade Act of 1974 (19 U.S.C. 2155(g)(2)). If the submitter believes that information or advice may qualify as such, the submitter—

(1) Must so designate the information or advice;

(2) Must clearly mark the material as "SUBMITTED IN CONFIDENCE" in a contrasting color ink at the top of each page of each copy; and

(3) Is encouraged to provide a non-confidential summary of the information or advice.

Pursuant to section 127(e) of the URAA (19 U.S.C. 3537(e)), USTR will maintain a file on this dispute settlement proceeding, accessible to the public, in the USTR Reading Room: Room 101, Office of the United States Trade Representative, 600 17th Street, NW, Washington, DC 20508. The public file will include a listing of any comments received by USTR from the public with respect to the dispute; if a dispute settlement panel is convened, the U.S. submissions to that panel, the submissions, or non-confidential summaries of submission, to the panel received from other participants in the dispute, as well as the report of the panel; and, if applicable, the report of the Appellate body. An appointment to review the public file (Docket WTO/D-195, Philippines Motor Vehicle Dispute) may be made by calling Brenda Webb, (202) 395-6186. The USTR Reading Room is open to the public from 9:30

a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday.

**A. Jane Bradley,**

*Assistant United States Trade Representative for Monitoring and Enforcement.*

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

#### Aviation Proceedings, Agreements Filed During the Week Ending June 2, 2000

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C. 412 and 414. Answers may be filed within 21 days after the filing of the application.

*Docket Number:* OST-2000-7434.

*Date Filed:* May 30, 2000.

*Parties:* Members of the International Air Transport Association.

*Subject:* CTC COMP 0284 dated 26 May 2000, Expedited Resolution 002kk, Special Amending Resolution (Except USA/US Territories), Intended effective date: 1 August 2000.

*Docket Number:* OST-2000-7435.

*Date Filed:* May 30, 2000.

*Parties:* Members of the International Air Transport Association.

*Subject:* PTC31 SOUTH 0084 dated 26 May 2000, Expedited TC31 South Pacific Resolutions r1-r7, Intended effective date: 1 July 2000.

**Dorothy Y. Beard,**

*Federal Register Liaison.*

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

#### Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending June 2, 2000

The following applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et seq.). The due date for Answers, Conforming Applications, or Motions to Modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures.