

WRITTEN QUESTION P-0731/00
by Paul Coûteaux (UEN)
to the Commission

Subject: FSCs - Case before the WTO

The WTO's appeal body has recently condemned the American system of FSCs (Foreign Sales Corporations) which enable exporters to avoid all tax by using fictitious bases in tax havens. This system of avoiding export duties, currently legal in the USA, will therefore have to be dismantled (Report AB-1999-9, 24 February 2000). However, it is unlikely that Congress will be inclined to comply with the WTO's decision in the run-up to the election.

Can the Commission say whether, if the USA does not abolish FSCs within the prescribed time limit (before 30 September 2000), it proposes to implement sanctions of the same kind as those adopted by the USA in connection with the Euro-American dispute over hormone-treated beef, in other words to impose tit-for-tat trade restrictions?

Does the Commission intend to link these two cases in the context of wider negotiations on trans-Atlantic trade disputes?