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## W.T.O. Authorizes Trade Sanctions Against the United States

By PAUL MELLER

**B**RUSSELS, Nov. 26 - The World Trade Organization authorized the European Union, Canada and five other countries on Friday to impose about \$150 million in trade sanctions on the United States in retaliation for an import duties law that has been ruled illegal.

"It's been approved," said Amina Mohamed, the Kenyan ambassador to the trade group and chairwoman of the organization's dispute settlement body, according to The Associated Press.

The sanctions would be aimed at a wide range of American exports, possibly including steel ball bearings, cod, shoes and apples. Most would be imposed by Japan and the European Union, which have been the hardest hit by the United States law.

Known as the Byrd amendment, after Senator Robert C. Byrd, the West Virginia Democrat who proposed it in 2000, the law gives American companies the proceeds from duties levied on foreign rivals deemed to be dumping products in the United States at below-market prices.

Seven trading partners of the United States complained that this punished the importers twice: once with the levy and again by giving a financial lift to their American competitors. The other countries seeking sanctions are Mexico, Japan, India, South Korea and Brazil.

The W.T.O. ruled early last year that the Byrd amendment was illegal. The United States has since tried to avert sanctions by appealing the decision, but to no avail.

The office of the United States trade representative said on Friday that it was working to revamp the law. "We already notified the W.T.O. that we intend to comply with our international commitments," said a spokesman, Richard Mills. "We are working with Congress on these efforts."

But he added that the United States would take whatever action was necessary to defend the country against unfair competition from abroad. "These issues don't affect the United States' right to implement our trade laws to make sure Americans are treated fairly," Mr. Mills said.

Although the amounts involved in this trade dispute are modest compared with other recent cases, the W.T.O.'s decision about the Byrd amendment is unusual in that it involved several countries taking action against one.

It could set a trend in future disputes, said Lourdes Catrain, a trade lawyer and partner in the Brussels office of the law firm Hogan & Hartson.

"This is very significant; it sends a very important message to the United States," she said. "Its trading partners are getting tired of the way the United States behaves."

The European Union is expected to apply punitive duties worth about \$80 million on American produce to compensate for the losses incurred by European companies punished under the Byrd amendment.

It has drawn up a list of 80 products that could be sanctioned. The list was adapted from one drawn up in a recent dispute about illegal American import tariffs on steel, and will be winnowed down.

The short list will not be drawn up until the European Union officially decides to impose the sanctions. That decision is expected to be made in early 2005, according to the new trade commissioner, Peter Mandelson, who took office at the beginning of this week.