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White House Plans Trade Case Vs. Europe

By THE ASSOCIATED PRESS

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WASHINGTON (AP) -- The Bush administration gave notice on Thursday that it will pursue an unfair trade case accusing the 25-nation European Union of operating a confusing tariff system that harms the ability of U.S. exporters to make sales.

The administration alerted the Geneva-based World Trade Organization that it wanted a hearing panel formed after failing to resolve differences in negotiations with the EU.

The Office of U.S. Trade Representative Robert Zoellick contended there is a problem with lack of uniformity in administering border taxes that will only become worse now that the EU has expanded from 15 to 25 member countries.

American goods can often be classified differently, depending on which country an exporter chooses as the port of entry, according to a statement from the administration.

U.S. exporters are also unable to get a firm ruling on what border tax will be imposed on their products from one EU country to another, even though all EU nations are supposed to offer a single set of tariff schedules, the administration contended.

The administration said the EU was failing to administer its customs laws ``in a uniform, impartial, reasonable manner.''

The WTO will consider the issue at its next meeting on Jan. 25, but the EU has the power to block a hearing panel from being established until February. When a hearing panel is established, both sides will submit written arguments on the matter. A ruling will not come for several months.

Anthony Gooch, a spokesman for the EU in Washington, said the United States was pursuing a case which appeared to have little support among U.S. exporters, given the small number of companies that responded to a request published in the Federal Register for American companies to provide the administration with examples of problems they have encountered.

``We think the U.S. case is very weak,'' Gooch said. ``They haven't come up with any evidence that U.S. companies are being harmed.''

The administration and the EU announced earlier this week that they would not pursue WTO cases in another contentious trade dispute involving government support for rival airplane makers Boeing Co. and Airbus SAS. The trade cases were put aside for three months to give officials time to try to reach a negotiated settlement.

On the Net:

U.S. Trade Representative: [http://www.ustr.gov](http://www.ustr.gov)