



The International Trade and Dispute Resolution Practice of Sidley Austin LLP

From our offices throughout the United States, Europe and Asia, the International Trade and Dispute Resolution group assists companies, governments and trade associations worldwide on transactional, regulatory, dispute settlement and policy matters. Success in the global marketplace requires an understanding of the rules that today govern every aspect of the international economy. Our team of seasoned negotiators, dealmakers, litigators and policy advisers draws on extensive private sector and government experience to help companies and governments shape these rules and resolve disputes arising under them. Combined with our broad-based transactional practice, our practice is a critical component to offering seamless global solutions to our clients.

For further information, please contact:

Daniel M. Price
+1 202.736.8226
dmpri@sidley.com

To receive future copies of the International Trade Update via email, please send your name, company or firm name and email address to rduncan@sidley.com

This **International Trade Update** has been prepared by Sidley Austin LLP for informational purposes only and does not constitute legal advice. This information is not intended to create, and receipt of it does not constitute, a lawyer-client relationship. Readers should not act upon this without seeking advice from professional advisers.

New Tariffs Imposed by European Union on U.S. Products

The European Commission announced on May 3, 2006, that, effective May 16, it would reimpose additional customs duties of 14 percent on a wide range of U.S. products. The list of products is the same as the list that had been subject to additional duties in 2005 in retaliation by the European Union for the failure of the United States Government to repeal U.S. tax law provisions in the American Jobs Creation Act (AJCA) that were found by the World Trade Organization to operate as trade-distorting export subsidies. The European Commission had lifted the retaliatory duties, but has decided to reimpose the duties because the WTO has confirmed that the tax benefits that had been grandfathered in the AJCA violate WTO rules. The list of products can be found at: <http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=OJ:L:2005:028:0031:0040:EN:PDF>

Companies that export to the twenty-five nation European Union, or that rely on U.S. imports in their operations in Europe, should consult the list carefully to determine whether their trade interests will be affected.

For additional information, please contact:

Brussels
Richard Weiner
rweiner@sidley.com
+32.2.504.6450

Washington, DC
Richard Belanger
rbelanger@sidley.com
+1.202.736.8335

Andy Shoyer
ashoyer@sidley.com
+1.202.736.8326

BEIJING BRUSSELS CHICAGO DALLAS FRANKFURT GENEVA HONG KONG LONDON
LOS ANGELES NEW YORK SAN FRANCISCO SHANGHAI SINGAPORE TOKYO WASHINGTON, D.C.

www.sidley.com

Sidley Austin LLP, a Delaware limited liability partnership, operates in affiliation with other partnerships, including Sidley Austin LLP, an Illinois limited liability partnership, Sidley Austin, an English general partnership (through which the London office operates) and Sidley Austin, a New York general partnership (through which the Hong Kong office operates). The affiliated partnerships are referred to herein collectively as Sidley Austin, Sidley or the firm.