Professors William Davey and Keith Maskus provide an excellent and succinct analysis of the legal and economic significance of the Report of the Appellate Body (AB) of the World Trade Organization (WTO) in Thailand – Customs and Fiscal Measures on Cigarettes from the Philippines1 (Thai–Cigarettes). The modest aim of this brief comment is to further explore the distinction that the AB appeared to draw between final and provisional decisions vis-à-vis GATT Article X:3(b).

As discussed in Thai–Cigarettes, the Philippines claimed that Thailand violated Article X:3(b) by failing to provide a means to appeal promptly guarantee decisions relating to customs valuations. GATT Article X:3(b) states, in relevant part:

Each contracting party shall maintain, or institute as soon as practicable, judicial, arbitral or administrative tribunals or procedures for the purpose, inter alia, of the prompt review and correction of administrative action relating to customs matters. (first italics in original)

There were thus two relevant issues in play regarding guarantee decisions in Thai–Cigarettes: (1) if Article X:3(b) provided a right to appeal them, and if so (2) when the appeal should be available. This comment addresses the former.

As a strict textual matter, the AB had little choice but to interpret the phrase ‘administrative action relating to customs matters’ expansively, as ‘acts or decisions of the executive branch of a government’2 regarding any ‘thing’3 ‘having’ some [rational] connection with4 ‘customs’.5 Indeed, nothing in the text itself

---

* Email: geoffrey.carlson@usitc.gov
The views presented in this paper are solely the author’s and do not represent the views of the U.S. International Trade Commission or the US government.

2 Ibid., para. 192.
3 Ibid., para. 193.
4 Ibid., para. 194.
5 Ibid., para. 193.
meaningfully cabins its scope. But the AB also stated that this language should be interpreted in light of the object and purpose of the GATT, including in light of the principles of due process, transparency, and procedural fairness. The AB gave little substantive content to these principles, but did quote the Panel Report from *EC – Selected Customs Matters* for the proposition that GATT Article X:3(b) ‘ensure[s] that a trader who has been adversely affected by a decision . . . has the ability to have that adverse decision reviewed’. However, in uttering this statement, *EC – Selected Customs Matters* was deciding a different issue vis-à-vis GATT Article X:3(b).

The AB did, however, appear to potentially limit the article’s scope in its application of the law to the facts, rather than in its legal analysis. In that section, the AB appeared to draw a distinction between ‘provisional’ and ‘final’ decisions in that the AB found guarantee decisions ‘final’ and therefore appealable. The AB, however, did not explicitly address the question of whether guarantee decisions could still have fallen within the scope of GATT Article X:3(b) if such decisions were ‘provisional’. Nor did it either disavow or adopt the Panel’s reasoning that ‘the term “administrative action relating to customs matters” . . . is not necessarily limited to final administrative determinations.’

Therefore, it is unclear to what extent the AB Report in *Thai–Cigarettes* stands for the proposition that a legal distinction between provisional and final decisions exists in this context. Indeed, as discussed above, nothing in the text as interpreted by the AB in its legal analysis required the distinction, nor did the AB borrow such a distinction from any other WTO agreement. Thus, the issue appears open to interpretation. Further, the AB does not explicitly invoke the principles of due process, procedural fairness, or transparency in its relevant factual analysis to decide the case.