

**I. The Legal Argument**

**A. The Case Against the U.S.**

- EPA issued gasoline regulations – 1993 to 1995 period
- Friction between free trade and environmental protection
- The challenge to US environmental standards and the struggle for market share

**B. The Clash**

- EPA proposes different standards – an uneven playing field

**C. The Gasoline Rule**

- Goal of the Rule
- 3 Possible Baselines
- Different treatments under the Rule

**II. Venezuelan Perspective**

**A. Venezuelan Oil Industry**

- Nationalizing of oil production – creation of Petroleos de Venezuela (PdVSA)
- Importance of oil to the citizens & national economy

**B. Venezuelan Efforts**

- Venezuela's arguments
- PdVSA protection plan

**C. U.S/Venezuela Relations**

- PdVSA meets with EPA
- PDVSA's compliance

**D. Why a Separate Baseline?**

- 1993 vs. 1995 Venezuelan barrel exportation numbers
- Consequences if Venezuela is not allowed to establish its own baseline

**E. Consequences If Denied...**

- Projected annual losses to Venezuelan oil industry
- Possible shortages
- Interruption of Venezuelan imports

**F. Venezuelan Perspective**

- No challenge to USA's rights
- Rules must be consistent with the WTO's principles

**III. The U.S. Counter-argument**

**A. US Arguments for the Dispute Settlement Body**

- GATT Article III –“National Treatment”
- GATT Article XX exceptions

**IV. The WTO Rulings & Compliance**

**A. The WTO Panel's Conclusion**

- The Panel members
- Ruling.

**B. U.S. Appeal**

- The statutory baseline requirement was necessary
- No imposition of the statutory baseline requirement on domestic refiners
- The Appellate body's ruling

**C. Compliance by the U.S.**

- The Regulation of Fuels and Fuel Additives: Baseline Requirements for Gasoline Produced by Foreign Refiners

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