

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(89) 533 final

Brussels, 6 November 1989

Draft  
COMMISSION DECISION (ECSC)

on the conclusion of an Arrangement and a Consensus in the form of Exchanges of Letters with the United States of America concerning trade in certain steel products

Proposal for a  
COUNCIL DECISION (EEC)

on the conclusion of an Arrangement and a Consensus in the form of Exchanges of Letters with the United States of America concerning trade in certain steel products

Proposal for a  
COUNCIL DECISION (EEC)

on the conclusion of an Arrangement in the form of an Exchange of Letters with the United States of America concerning trade in steel pipes and tubes

Draft  
COMMISSION DECISION (ECSC)

on the restriction of exports of certain steel products to the United States of America

Proposal for a  
COUNCIL REGULATION (EEC)

on the restriction of exports of certain steel products to the United States of America

Proposal for a  
COUNCIL REGULATION (EEC)

on the restriction of exports of steel pipes and tubes to the United States of America

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(presented by the Commission)

COMMISSION DECISION N° ECSC

of

*on the conclusion of an Arrangement and a Consensus*

*In the form of Exchanges of Letters*

*with the United States of America*

*concerning trade in certain steel products*

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

*Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 95 thereof,*

*Whereas, following the Council Decision of 6 October 1989, the Commission opened negotiations with the United States of America culminating in an Arrangement and a Consensus concerning trade in certain steel products;*

*Whereas the Arrangement makes it possible to safeguard the essential interests of Community producers exporting the products in question to the United States market;*

*Whereas the Consensus will provide a transition towards the more liberal conditions in steel trade which will result from the general rules and disciplines of the GATT negotiated in the Uruguay Round, and reduce trade distorting practices in, and establish an open trading environment for, steel;*

*Having consulted the Consultative Committee and with the unanimous assent of the Council,*

*HAS DECIDED AS FOLLOWS:*

*Article 1*

- 1. The Arrangement and the Consensus with the United States of America concerning trade in certain steel products, to be concluded in the form of exchanges of letters, are hereby approved on behalf of the European Coal and Steel Community, to the extent to which they relate to products covered by the ECSC Treaty.*
  
- 2. The texts of the Arrangement and the Consensus are annexed to this Decision.*

*Article 2*

*The Commission shall designate the member of the Commission empowered to carry out the exchanges of letters for the purpose of binding the European Coal and Steel Community.*

*Done at*

*For the Commission*

COUNCIL DECISION (EEC) N°

of

on the conclusion of an Arrangement and a Consensus  
In the form of Exchanges of Letters  
with the United States of America  
concerning trade in certain steel products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic  
Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas, following the Council Decision of 6 October 1989, the  
Commission opened negotiations with the United States of America  
culminating in an Arrangement and a Consensus concerning trade in  
certain steel products;

Whereas the Arrangement will make it possible to safeguard the  
essential interests of Community producers exporting the products in  
question to the United States market;

Whereas the Consensus will provide a transition towards the more  
liberal conditions in steel trade which will result from the general  
rules and disciplines of the GATT negotiated in the Uruguay Round, and  
reduce trade distorting practices in, and establish an open trading  
environment for, steel;

*Whereas the Commission Decision pursuant to the European Coal and Steel Community Treaty concerning the conclusion of the Arrangement and the Consensus has received the assent of the Council in accordance with that Treaty; whereas, therefore, the abovementioned Arrangement and Consensus should be approved to the extent that they relate to products covered by the European Economic Community Treaty,*

*HAS DECIDED AS FOLLOWS:*

*Article 1*

- 1. The Arrangement and the Consensus in the form of Exchanges of Letters with the United States of America concerning trade in certain steel products, are hereby approved on behalf of the European Economic Community, to the extent to which the Arrangement and the Consensus relate to products covered by the EEC Treaty.*
- 2. The texts of the Arrangement and the Consensus are attached to this Decision.*

*Article 2*

*The President of the Council is hereby authorized to designate the person empowered to carry out the exchanges of letters for the purpose of binding the European Economic Community.*

*Done at*

*For the Council*

COUNCIL DECISION (EEC) N°

of

*on the conclusion of an Arrangement  
in the form of an Exchange of Letters  
with the United States of America  
concerning trade in steel pipes and tubes*

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

*Having regard to the Treaty establishing the European Economic  
Community, and in particular Article 113 thereof,*

*Having regard to the proposal from the Commission,*

*Whereas, following the Council Decision of 6 October 1989, the  
Commission conducted negotiations with the United States of America  
culminating in an Arrangement concerning Community exports of steel  
pipes and tubes;*

*Whereas the Arrangement will make it possible to safeguard the  
essential interests of Community producers exporting the steel pipes  
and tubes to the United States market;*

**HAS DECIDED AS FOLLOWS:**

**Article 1**

1. *The Arrangement in the form of an Exchange of Letters with the United States of America concerning trade in steel pipes and tubes, is hereby approved on behalf of the European Economic Community.*
  
2. *The text of the Arrangement is attached to this Decision.*

**Article 2**

*The President of the Council is hereby authorized to designate the person empowered to carry out the exchange of letters for the purpose of binding the European Economic Community.*

**Done at**

**For the Council**

**The President**

COMMISSION DECISION No  
of

ECSC

on the restriction of exports of certain steel products  
to the United States of America

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular the first and second paragraphs of Article 95 thereof.

Whereas the Community has concluded an Arrangement<sup>(1)</sup> (hereinafter referred to as 'the Arrangement') with the United States of America under which the amount of exports, to the United States, of certain steel products originating in the Community are to be limited to certain levels over an agreed period; whereas, moreover, it is necessary, pursuant to this Arrangement, to introduce in the Community measures to restrict the amount of these steel products exported to the United States;

Whereas this Decision does not affect the powers of the Member States in matters of commercial policy referred to in Article 71 of the Treaty;

Whereas, in accordance with the Arrangement, the export restrictions cover steel products originating in the Community; whereas the origin of these products is determined in accordance with applicable Community legislation, that is to say Council Regulation (EEC) No 802/68 of 27 June 1968 on the common definition of the concept of the origin of goods<sup>(2)</sup>, as last amended by the Act of Accession;

Whereas, for practical and management reasons, the quantitative export limits agreed by the Community must be allocated among the Member States; whereas, in order to do so, an allocation method must be established; whereas, thereafter, the Member States must share out the amounts allocated to them among undertakings in accordance with objective criteria;

Whereas utilization of the Community limits, based on allocations among Member States made in this way, would seem to be in keeping with the Community nature of these limits, considering that in particular the allocation method provides for a maximum use of export possibilities;

Whereas the allocation among the Member States of the total export possibilities which the Arrangement affords should take account of traditional trade patterns;

(1) See page \_\_\_\_\_ of this Official Journal.

(2) OJ No L 148, 28.6.1968, p. 1.



Whereas, as provided for in the Arrangement, measures must be taken to avoid abnormal concentrations at certain times in exports to the United States;

Whereas the Community steel policy aims, in particular, at allowing the Community steel industry to adapt to the conditions of international competition; whereas the Arrangement is limited to products originating in the Community, it is necessary to provide that export licences issued to undertakings shall indicate the undertaking engaged in production of steel within the Community, and established in the issuing Member State that is holding the allocation against which the licence is issued;

Whereas, in order to take account of the interests of distributive undertakings, it must be possible for these licences to be transferred not only between steel undertakings but also by steel undertakings to distributive undertakings, in particular where the steel undertakings decide to sell their products to such distributive undertakings;

Whereas it appears necessary, and for the moment sufficient, that Member States ensure compliance with the different provisions of the regime laid down by applying the various penalties provided for in their laws;

Whereas, in order to facilitate the application of the envisaged provisions, it is appropriate to set up a procedure establishing close cooperation between Member States and the Commission in the framework of a Committee; whereas, to that end, it is necessary to establish an Arrangement Committee;

Having consulted the Consultative Committee and with the unanimous assent of the Council,

HAS ADOPTED THE DECISION:

#### Article 1

1. Community export limits are hereby established for the period 1 October 1989 to 31 December 1990 (hereinafter referred to as 'the initial period'), for the year 1991 and for the period 1 January 1992 to 31 March 1992 (hereinafter referred to as 'the end period') for exports effected after 1 October 1989 from the Community to the United States of America (hereinafter referred to as 'the United States') of the steel products originating in the Community which are listed and described in Annex I.

For the purposes of this Decision, the United States shall comprise United States customs territory and United States foreign trade zones as described in Annex II.

2. The origin of the products covered by this Decision shall be determined in accordance with the rules in force in the Community.

## Article 2

1. Community export limits per product category shall be calculated by the Commission for the initial period, for the years 1991 and for the end period by application to the United States apparent consumption within the meaning of Article 5 and Annex A of the Arrangement of the following percentages:

Product category	Quota (%)
Semi-finished steel	0.76
Plate	7.13
Hot-rolled sheet and strip	7.29
Cold-rolled sheet	5.94
Black plate	12.84
Cold-rolled strip	5.34
Electrical sheet and strip	4.98
Stainless plate	5.89
Stainless sheet and strip	5.94
Tin plate	2.96
Tin-free steel	4.22
Coated flat-rolled products	4.51
Concrete reinforcing bar	0.09
Hot-finished bar	3.09
Cold-finished bar	6.63
Stainless bar	7.40
Carbon wire rod	5.70
Stainless wire rod	13.16
Alloy wire rod	19.68
Bar shapes under 80 mm.	2.48
Structurals	14.15
Sheet piling	23.70
Stainless wire	15.34
Rails	9.26
Alloy tool steel	11.02

For the following categories, the Community export limits shall be as follows in metric tonnes:

	Initial period	1991	End period
Fabricated structurals	20 625	16 500	4 125
Wire Strand	62 250	49 800	12 450
Wire Rope	12 250	9 800	2 450
Carbon/Alloy Wire	228 250	182 600	45 650
Wire products	31 875	25 500	6 375
Rail products	4 875	3 900	975
Other specialty steel	15 125	12 100	3 025

These quantities also include the products in the corresponding categories referred to in Article 2 of Council Regulation (EEC) No /89(1).

With regard to semi-finished steel products listed as "other semi-finished (including slabs)" in Annex I, the Community quota, comprised within the general quota for semi-finished steel products shall be equal to 92% of the total.

With regard to coated flat rolled products listed as "electrogalvanized" in Annex I, the Community quota, comprised within the general quota for coated flat rolled products shall be equal to 25% of the total.

2. The Community export limits calculated pursuant to paragraph 1 shall be adjusted by the Commission to take account of revisions of the said United States apparent consumption.

3. These limits may also be adjusted by the Commission, after consultation of the Arrangement Committee:

- for advance use or carry-over of licences,
- to enable transfers between product categories, including transfers between products covered by this Decision and those covered by Regulation (EEC) No /89 (2),
- for additional quotas in case of short-supply,
- to take account of exports effected by the Community between 1 October 1989 and the date of entry into force of this Decision,
- to take account of changes in the limits for semi-finished products made pursuant to Article 4(e) of the Arrangement on additional quantities to be allocated at the discretion of the United States,

under the conditions provided for in the Arrangement.

### Article 3

1. (a) The Community quantitative export limits established and calculated pursuant to Article 2 shall be allocated for the initial period, 1991 and the end period by the Commission in accordance with Annex III, with the exception of any quantities granted under Articles 4(e) and (8) of the Arrangement, which shall be allocated by the Commission on the basis of the circumstances and conditions under which these quantities have been granted;

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(1) See page of this Official Journal.

(2) See page of this Official Journal.

(b) Notwithstanding point (a), the Community quantitative export limits to be allocated by the Commission in accordance with Annex III shall be reduced by 10% in the initial period and 1991 for those Member States which, on the basis of certificates referred to in Article 4(1) issued by them, have used less than 40% of their quota by 30 June 1990 and 33% of their quota by 30 June 1991 respectively.

The quantities represented by such reductions shall be allocated by the Commission after consulting the Arrangement Committee on 1 August 1990 and 1 August 1991 respectively so as to facilitate the optimal use and administration of the Community export possibilities taking account of the share of Community exports effected by each Member State in each product category by 30 June 1990 and 30 June 1991 respectively.

(c) Where the Community limits for arrangement products are adjusted in accordance with the fourth indent of Article 2(3), the Commission shall adjust the allocation of quantity limits, taking account of the origin of the export before the entry into force of this Decision which gave rise to this adjustment.

2. The Commission shall hold periodic consultations with the Arrangement Committee on the situation regarding licences issued and on the measures to be taken to ensure optimum use of the overall limit.

#### Article 4

1. The Community exports described in Article 1 shall, from the date of entry into force of this Decision to 31 March 1992, be subject to the production to the competent customs office in the Community of an export licence and an export certificate. The export licences shall be issued by the relevant authorities of each Member State within the limits of the amounts allocated to it pursuant to Article 3.

Member States shall fix the tonnage for which they anticipate that licence will be issued in each quarter for each product category; they shall inform the Commission thereof in the first 15 days of the relevant quarter. In doing so, they shall make sure that the export licence issues for each quarter ensure an adequate spread of exports over the whole year, taking into account the seasonal variations in trade of the product category in question. However, Member States shall not, without the prior authorization of the Commission, issue in any two consecutive quarters licences for amounts which exceed 52% of their allocation in the initial period or 65% of their allocation in 1991.

Member States may, subject to the second subparagraph hereof, issue further licences in the initial period, 1991 and the end period respectively, in respect of the unutilized part of licences issued which have been returned to their competent authorities in the initial period, 1991 or the end period.

2. Licences shall be issued according to the following criteria:

- compliance with the rules prescribed by this Decision, in particular those concerning the quota allocated by the Commission pursuant to Article 3,
- compliance with the traditional export patterns of undertakings, taking account of the reduction principles established by this Decision, and of the situation regarding any new undertakings producing steel,
- compliance with the rates of exports to the United States as traditionally spread out over the year,
- optimum use and administration of the export possibilities afforded by this Decision,
- compliance with the possibilities afforded by Article 3(1)(b) of this Decision,
- optimum use being made of any new possibilities provided for, where appropriate, by this Decision.

Each licence shall indicate the undertaking engaged in production of steel within the Community and established in the issuing Member State that is holding the allocation against which the licence is issued.

3. Transfers of export licences between steel undertakings or by steel undertakings to distributive undertakings may take place provided they concern the same product category and after prior notification to the authorities of the Member State in which the undertaking transferring the licence is established. Such transfer may take place between undertakings established in different Member States.

4. Licences issued in one Member State of the Community shall be valid throughout the Community.

5. Member States shall ensure that appropriate sanctions are applied in respect of all exports effected without production of the licence required hereunder and in respect of any other breaches of the provisions relating to such licences. Member States shall keep the Commission informed of all breaches of such measures, and of all sanctions imposed in respect thereof, at intervals to be specified by the Commission.

6. The Commission may lay down detailed rules for the implementation of paragraphs 1 to 4 of this Article and specify the information to be provided to the Commission concerning the licences and exports.

#### Article 5

1. Member States shall charge the amounts set out on the licences issued by them against their respective allocations made pursuant to Article 3, including all licences subsequently transferred to an undertaking of another Member State.

2. Member States shall keep records of the exports of the products covered by this Decision. The products shall be deemed to be so exported, as at the date of acceptance, by the customs authorities of the Member State of export, of the export declaration or of the document provided for in Article 18 of Council Directive 81/177/EEC of 24 February 1981 on the harmonization of procedures for the export of Community goods<sup>(1)</sup>.

3. The extent to which a Member State has used up its allocation shall be determined on the basis of licences issued in accordance with Article 4.

#### Article 6

1. Temporary exports to the United States of arrangement products which are to be re-exported from the United States in the same form or without having been subject to substantial transformation or having been subject to a double substantial transformation as defined in Appendix D of the Arrangement shall be charged against the allocation on the Member State whose authorities issued the licence. Upon production to the authorities of such Member State of proof of such re-exportation from the United States, the allocation of that Member State for the period when such proof is presented shall be increased by the same amount.

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(1) OJ No L 83, 30.3.1981, p. 40.

2. The Commission may lay down detailed rules for the implementation of this Article.

#### Article 7

This Decision shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Decision shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Commission

## Annex I - List of products

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Blooms and Billets	7207.11	7207.11
	7207.12.0010	7207.12.11(41)
	7207.19(40)	7207.12.19(41)
	7207.20.0025	7207.12.90(41)
	7207.20.0075(40)	7207.19(40)
	7207.20.0090(40)	7207.20.11(41)
	7218.90.0010	7207.20.15(41)
	7218.90.0020	7207.20.17(41)
	7218.90.0045(40)	7207.20.19(41)
	7218.90.0055(40)	7207.20.31(41)
	7218.90.0070(40)	7207.20.33(41)
	7218.90.0080(40)	7207.20.39(41)
	7224.90.0010	7207.20.51
	7224.90.0030(40)	7207.20.55
	7224.90.0040	7207.20.57
	7224.90.0060(40)	7207.20.59(40)
	7224.90.0070(40)	7207.20.71
		7207.20.79(40)
		7207.20.90(40)
		7218.90.11(42)
		7218.90.13(42)
		7218.90.15(41)(42)
		7218.90.19(41)(42)
		7218.90.30(41)(42)
		7218.90.50(42)
		7218.90.91(40)(42)
		7218.90.99(40)(42)
		7224.90.11(41)
		7224.90.19(41)
		7224.90.30
		7224.90.91(40)
		7224.90.99(40)
	Other Semi-Finished (including slabs)	7206.10
7207.12.0050		7207.12.11(43)
7207.20.0045		7207.12.19(43)
7218.10(17)		7207.12.90(43)
7218.90.0035		7207.20.31(43)
7224.10(17)		7207.20.33(43)
7224.90.0020		7207.20.39(43)
7224.90.0050		7218.10.00(17)
		7218.90.15(43)
		7218.90.19(43)
		7218.90.30(43)
	7224.10.00(17)	
	7224.90.11(43)	
	7224.90.19(43)	

This Annex lists, for information purposes, the products which come under the EEC Treaty and are covered by Article 1(1) of Regulation (EEC) No /89.

The subheadings and item numbers referred to above are subject to revision when the EC or the US adopt modifications to their respective import nomenclatures. When such modifications are adopted, prior notification shall be given to the other party.



PRODUCT

HTS

Combined Nomenclature

Plate

7208.31  
7208.32  
7208.33.50  
7208.41  
7208.42  
7208.43  
7210.90.10(5)(6)  
7211.11  
7211.12  
7211.21  
7211.22.0045  
7212.60(6)  
7225.30.30  
7225.40.30  
7225.50.60  
7226.91.50

7208.31.00  
7208.32  
7208.33  
7208.33.10(44)  
7208.33.91(44)  
7208.33.99(44)  
7208.41.00  
7208.42  
7208.43  
7210.90.31(5)  
7211.11.00  
7211.12  
7211.21.00  
7211.22.10(45)  
7211.22.90(45)  
7212.60(6)  
7225.30.00(46)(47)  
7225.40.10(47)  
7225.40.30(47)  
7225.40.50(47)  
7225.50.00(46)(47)  
7226.91.00(46)(47)

Hot Rolled Sheet &  
Strip

7208.11  
7208.12  
7208.13  
7208.14  
7208.21.50  
7208.22.50  
7208.23  
7208.24  
7208.34  
7208.35  
7208.44  
7208.45  
7208.90(5)(6)  
7211.19(3)  
7211.22.0090  
7211.29(3)  
7225.30.70(3)  
7225.40.70(3)  
7226.91.70(3)  
7226.91.80(3)

7208.11.00  
7208.12  
7208.13  
7208.14  
7208.21.10(44)  
7208.21.90(44)  
7208.22.10(44)  
7208.22.91(44)  
7208.22.99(44)  
7208.23  
7208.24  
7208.34  
7208.35  
7208.44  
7208.45  
7208.90(5)(6)  
7211.19(3)  
7211.22(48)  
7211.29(3)  
7225.30.00(3)(47)(49)  
7225.40.70(3)(47)  
7225.40.90(3)(47)  
7226.91.00(3)(47)(49)

PRODUCTHTSCombined Nomenclature

## Cold Rolled Sheet

7208.21.10  
7208.22.10  
7208.33.10  
7209.11  
7209.12  
7209.13  
7209.14  
7209.21  
7209.22  
7209.23  
7209.24.50  
7209.31  
7209.32  
7209.33  
7209.34  
7209.41  
7209.42  
7209.43  
7209.44  
7209.90(5)(6)  
7210.70.30(5)(6)  
7211.30.50  
7211.41.70  
7211.49.50  
7225.50.80(3)  
7225.90(3)(5)(6)  
7226.92.50(3)

7208.21.10(50)  
7208.21.90(50)  
7208.22.10(50)  
7208.22.91(50)  
7208.22.99(50)  
7208.33.10(50)  
7208.33.91(50)  
7208.33.99(50)  
7209.11.00  
7209.12  
7209.13  
7209.14  
7209.21.00  
7209.22  
7209.23  
7209.24.10(51)  
7209.24.91(51)  
7209.31.00  
7209.32  
7209.33  
7209.34  
7209.41.00  
7209.42  
7209.43  
7209.44  
7209.90(5)(6)  
7210.70.19(5)(52)  
7210.70.90(5)(6)(52)  
7211.30(53)  
7211.41(53)  
7211.49(53)  
7225.50.00(3)(47)(49)(54)  
7225.90(3)(5)(6)  
7226.92(3)(53)

## Blackplate

7209.24.10

7209.24(55)

## Cold Rolled Strip

7211.30.10(3)(16)  
7211.30.30(3)(16)  
7211.41.10(3)(16)  
7211.41.30(3)(16)  
7211.41.50(3)(16)  
7211.49.10(3)(16)  
7211.49.30(3)(16)  
7211.90(3)(6)(16)  
7212.30.10(6)(16)  
7212.30.30(6)(16)  
7212.40.10(6)(16)  
7226.92.70(3)(16)  
7226.92.80(3)(16)  
7226.99(3)(6)(16)

7211.30.31(3)(16)(56)  
7211.30.39(3)(16)(56)  
7211.30.50(3)(16)(56)  
7211.30.90(3)(16)(56)  
7211.41.91(3)(16)(56)  
7211.41.95(3)(16)(56)  
7211.41.99(3)(16)(56)  
7211.49.91(3)(16)(56)  
7211.49.99(3)(16)(56)  
7211.90.90(3)(6)(16)(56)  
7212.30.90(6)(16)(56)  
7212.40.10(6)(16)(56)  
7212.40.99(6)(16)(56)  
7226.92.90(3)(16)(47)(56)  
7226.99(3)(6)(16)

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Electrical Sheet and Strip	7225.10(5)(6) 7226.10(6)	7225.10(5)(6) 7226.10(6)
Stainless Plate	7219.11(19)(20) 7219.12(19)(20) 7219.21(19)(20) 7219.22(19)(20) 7219.31(19)(20) 7220.11(19)(20)	7219.11(19)(20) 7219.12(19)(20) 7219.21(19)(20) 7219.22(19)(20) 7219.31(19)(20) 7220.11.00(19)(20)
Stainless Sheet & Strip	7219.13(19)(20)(21) 7219.14(19)(20)(21) 7219.23(19)(20)(21) 7219.24(19)(20)(21) 7219.32(19)(20)(21) 7219.33(19)(20)(21) 7219.34(19)(20)(21) 7219.35(19)(20)(21) 7219.90(5)(6)(19)(20)(21) 7220.12(2)(19)(20)(22) 7220.20.10(19)(20)(22) 7220.20.60(19)(20)(22) 7220.20.70(19)(20)(22) 7220.20.90(19)(20)(22) 7220.90(2)(6)(19)(20)(22)	7219.13(19)(20)(21) 7219.14(19)(20)(21) 7219.23(19)(20)(21) 7219.24(19)(20)(21) 7219.32(19)(20)(21) 7219.33(19)(20)(21) 7219.34(19)(20)(21) 7219.35(19)(20)(21) 7219.90(5)(6)(19)(20)(21) 7220.12.00(2)(19)(20)(22) 7220.20(2)(19)(20)(22) 7220.90(2)(6)(19)(20)(22)
Tinplate	7210.11(5)(6) 7210.12(5)(6) 7212.10(6)	7210.11(5)(6) 7210.12(5)(6) 7212.10(6)
Tin Free Steel	7210.50(6) 7210.90.60(6)	7210.50(6) 7210.90.35 7210.90.39(57) 7210.90.90(6)(57)
Electrogalvanized	7210.31(5)(6) 7210.39(5)(6) 7212.21(6) 7212.29(6)	7210.31(5)(6) 7210.39(5)(6) 7212.21(6) 7212.29(6)

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Other Coated Flat-Rolled Products	7210.20(5)(6)	7210.20(5)(6)
	7210.41(5)(6)	7210.41(5)(6)
	7210.49(5)(6)	7210.49(5)(6)
	7210.60(6)(24)	7210.60(6)(24)
	7210.70.60(5)(6)	7210.70(5)(6)(58)
	7210.90.90(5)(6)	7210.90.33(5)(6)(59)
	7212.30.50(6)	7210.90.35(5)(6)(59)
	7212.40.50(6)	7210.90.39(5)(6)(59)
	7212.50(6)	7210.90.90(5)(6)(59)
		7212.30(6)(53)
		7212.40(6)(53)
		7212.50.31(6)
		7212.50.39(6)
		7212.50.51(6)
		7212.50.59(6)
		7212.50.71(6)
		7212.50.73(6)
	7212.50.75(6)	
	7212.50.91(6)	
	7212.50.93(6)	
	7212.50.97(6)	
	7212.50.99(6)	
Rebar	7214.20	7214.20.00
Hot-finished Bar	7213.39.0060	7213.39.00(60)
	7213.39.0090	7213.49.00(60)
	7213.49.0060	7213.50.00(60)
	7213.49.0090	7214.10.00
	7213.50.0060	7214.30.00
	7213.50.0080	7214.40
	7214.10	7214.50
	7214.30	7214.60.00
	7214.40	7228.20.11
	7214.50	7228.20.19
	7214.60	7228.20.30
	7228.20.10(6)	7228.20.50
	7228.30.80	7228.20.90(61)
	7228.40	7228.30.10(47)
	7228.60.60(6)	7228.30.90(47)
		7228.40.00
		7228.60.10(47)
		7228.60.90(47)(61)
	Cold-finished Bar	7215.10
7215.20		7215.20.00
7215.30		7215.30.00
7215.40		7215.40.00
7215.90(6)		7215.90(6)
7228.20.50(6)		7228.20.70
7228.50.50		7228.50.00(47)
7228.60.80(6)		7228.60.90(6)(47)(62)
7228.80		7228.80

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Stainless Bar	7218.90.0030	7218.90.11(63)
	7218.90.0065	7218.90.13(63)
	7218.90.0090	7218.90.15(41)(63)
	7221.00.0060	7218.90.19(41)(63)
	7221.00.0080	7218.90.30(41)(63)
	7222.10	7218.90.50(63)
	7222.20	7218.90.91(63)
	7222.30(6)	7218.90.99(63)
		7221.00.10(60)
		7221.00.90(60)
		7222.10
		7222.20
	7222.30(6)	
Carbon Wire Rod	7213.10	7213.10.00
	7213.20	7213.20.00
	7213.31	7213.31.00
	7213.39.0030	7213.39.00(64)
	7213.41	7213.41.00
	7213.49.0030	7213.49.00(64)
	7213.50.0020	7213.50.00(65)
	7213.50.0040	
Stainless Wire Rod	7221.00.0020	7221.00.10(65)
	7221.00.0040	7221.00.90(65)
Alloy Wire Rod	7227.20	7227.20.00
	7227.90.60	7227.90.10
		7227.90.90(47)
Bar Shapes Less Than 80mm	7216.10(81)	7216.10.00(81)
	7216.21(81)	7216.21.00(81)
	7216.22(81)	7216.22.00(81)
Structurals	7216.31(81)	7216.31.00(81)
	7216.32(81)	7216.32.00(81)
	7216.33(81)	7216.33.00(81)
	7216.40(81)	7216.40(81)
	7216.50(81)	7216.50(81)
	7216.60(81)	7216.60(81)
	7222.40.30(81)	7222.40.11(66)(81)
	7228.70.30(81)	7222.40.19(66)(81)
		7222.40.30(66)(81)
		7222.40.99(66)(81)
		7228.70.10(66)(81)
		7228.70.31(66)(81)
	7228.70.99(66)(81)	

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Sheet Piling	7301.10	7301.10.00
Fabricated Structural	7216.90(81)	7216.90(81)
	7222.40.60	7222.40.99(81)
	7228.70.60	7228.70.99(81)
	7301.20	7301.20.00
	7308.10	7308.10.00
	7308.20	7308.20.00
	7308.30(15)	7308.30.00(15)
	7308.40	7308.40.00
	7308.90.30(12)	7308.90(9)(14)(67)
	7308.90.60(13)	
7308.90.90(9)(14)		
Stainless Wire	7223.00.10	7223.00.10(68)
	7223.00.50(2)(6)	7223.00.90(68)
Wire Strand	7312.10.10(4)	7312.10.30(4)(69)
	7312.10.3015(4)	7312.10.50(4)(69)(71)
	7312.10.3065(4)	7312.10.71(4)(69)
	7312.10.3075(4)	7312.10.75(4)(69)
	7312.10.3090(4)	7312.10.79(4)(69)
Wire Rope	7312.10.60(4)	7312.10.50(4)(69)(72)
	7312.10.90(4)	7312.10.91(4)(69)
		7312.10.95(4)(69)
		7312.10.99(4)(69)(73)
Other Wire	7217.11	7217.11
	7217.12	7217.12
	7217.13	7217.13
	7217.19	7217.19
	7217.21	7217.21.00
	7217.22	7217.22.00
	7217.23	7217.23.00
	7217.29	7217.29.00
	7217.31(3)	7217.31.00(3)
	7217.32	7217.32.00
	7217.33	7217.33.00
	7217.39(3)	7217.39.00(3)
	7223.00.90	7223.00.10(74)
	7229.20	7223.00.90(74)
	7229.90	7229.20.00
		7229.90.00

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Wire Products	7313.00(11)	7313.00.00(11)
	7314.41(8)	7314.41(8)
	7314.42(8)	7314.42(8)
	7314.49(8)	7314.49.00(8)
	7317.00.55(7)	7317.00(7)(75)
	7317.00.6560(7)	
	7317.00.75(7)	
Rails	7302.10(10)	7302.10(10)
Rail Products	7302.20(18)	7302.20.00(18)
	7302.40(18)	7302.40.10
	7302.90(23)	7302.90.30(23)
	8607.19.10	7302.90.90(23)
	8607.19.20	8607.19.11
		8607.19.19
Alloy Tool Steel	7225.20 (5)(6)	7225.20 (5)(6)
	7225.30.10	7225.30.00(76)
	7225.30.5060	7225.40(77)
	7225.40.1090	7225.50.00(77)
	7225.40.5060	7226.20 (6)
	7225.50.1060	7226.91.00(77)
	7226.20 (6)	7226.92(77)
	7226.91.1060	7227.10.00
	7226.91.3060	7227.90(77)
	7226.92.1060	7228.10(6)
	7226.92.3060	7228.30(77)
	7227.10	7228.50.00(77)
	7227.90.1060	7228.60(6)(77)
	7227.90.2060	7229.10.00
	7228.10(6)	
	7228.30.40	
	7228.30.60	
	7228.50.1020	
	7228.50.1040	
	7228.50.1060	
	7228.50.1080	
	7228.60.1060(6)	
7229.10		
Other Speciality Steel	7225.30.5030	7225.30.00(78)
	7225.40.1015	7225.40(79)
	7225.40.5030	7225.50.00(79)(80)
	7225.50.1030	7226.91.00(79)
	7225.50.70	7226.92(79)
	7226.91.1030	7227.90(79)
	7226.91.3030	7228.30(79)
	7226.92.1030	7228.50.00(79)
	7226.92.3030	7228.60(6)(79)
	7227.90.1030	
	7227.90.2030	
	7228.30.20	
	7228.50.1010	
	7228.60.1030(6)	

FOOTNOTES

- (1) Excluded if of wrought iron.
- (2) Excluded if "razor blade steel," i.e., flat-rolled products of stainless steel not over 0,25mm in thickness and not over 23mm in width, containing by weight not over 14.7 percent of chromium, and certified at the time of entry to be used in the manufacture of razor blades.
- (3) Excluded if "carbon/alloy band saw steel" defined as follows:

(a) "metal cutting band saw steel" referring to steel flat-rolled products, not less than 0.61mm and not more than 0.91mm in thickness, not less than 6.30mm and not more than 50.80mm in width, in coils, containing:

carbon : not less than 1.18 percent and not more than 1.32 percent,

chromium : not less than 0.15 percent and not more than 0.32 percent,

manganese : not less than 0.10 percent and not more than 0.40 percent,

certified by the importer of record or the ultimate consignee for use in the manufacture of metal-cutting band saw blades; or

(b) "wood band saw steel" referring to (1) alloy steel flat-rolled products less than 4.75mm in thickness which contains, in addition to iron, each of the following elements by weight in the amount specified:

carbon : not less than 0.70 nor more than 0.81 percent;

manganese : not less than 0.30 nor more than 0.55 percent;

silicon : not less than 0.20 nor more than 0.35 percent;

nickel : not less than 1.60 nor more than 2.70 percent;

chromium : none, or not more than 0.50 percent;

phosphorus : none, or not more than 0.03 percent; and

sulfur : none, or not more than 0.15 percent;



or (2) cold-rolled flat-rolled products less than 4.75mm in thickness, less than 300mm in width, which contains, in addition to iron, each of the following elements by weight in the amount specified:

carbon : not less than 0.70 nor more than 0.81 percent;

manganese : not less than 0.30 nor more than 0.50 percent;

silicon : not less than 0.20 nor more than 0.35 percent;

chromium : none, or not more than 0.50 percent; and

phosphorus : none, or not more than 0.03 percent; and

sulfur : none, or not more than 0.15 percent,

certified by the importer of record or the ultimate consignee for use in the manufacture of wood band saws.

- (4) Excluded if covered with textile or other non-metallic material.
- (5) Excluded if cut, pressed or stamped to non-rectangular shape.
- (6) Excluded if worked after flat rolling, e.g., perforated, bevelled, rounded at the edges.
- (7) Excluded if corrugated fasteners, glaziers' points, hook nails, or ring nails.
- (8) Excluded if other than galvanized wire fencing wholly of round iron or steel wire measuring not over 5.08mm and not under 1.905mm in diameter, whether or not such wire is covered with plastics.
- (9) Excluded if fence or sign posts.
- (10) Excluded if current-conducting rail.
- (11) Excluded if twisted hoop or single flat wire, whether or not barbed.
- (12) Excluded if of cut iron.
- (13) Excluded if in part of stainless steel.

- (14) Excluded if plastic foam core insulating composite panels.
- (15) Excluded if door or window frames.
- (16) Excluded if bale ties.
- (17) Excluded if other primary forms, e.g., blocks, lumps, puddled bars and pilings, pieces roughly shaped by forging.
- (18) Excluded if forged.
- (19) Excluded if cladding grade 434 stainless steel certified by the importer of record to be used in the manufacture of stainless steel clad automobile trim.
- (20) Excluded if grade 253MA or 254SMO stainless steel.
- (21) Excluded if stainless steel flat-rolled products less than 4.75mm in thickness and over 1,803.4mm in width.
- (22) Excluded if stainless steel flat-rolled products less than 4.75mm in thickness, less than 300mm in width, and certified by the importer of record or ultimate consignee to be used in the manufacture of stainless steel flapper valves for compressors.
- (23) Covered if either (A) hot-rolled and designed to connect the ends of adjacent rails in track (i.e., "joint bars"). These products are usually punched or slotted; or (B) hot-rolled and used to support rails in track, to maintain track gauge, and protect the ties (i.e., "tie plates"). These products are punched to provide holes for spikes and have one or two shoulder sections as rail guides.
- (24) Excluded if cut, pressed or stamped to non-rectangular shape and other than electrolytically coated or plated.

- (40) Excluded if pieces roughly shaped by forging.
- (41) Covered if of a width measuring less than four times the thickness.
- (42) Covered if of a cross-sectional area of 19.4 cm<sup>2</sup> or more, but less than 232 cm<sup>2</sup> or of a cross sectional area of 232 cm<sup>2</sup> or more.
- (43) Covered if of a width measuring at least four times the thickness.
- (44) Excluded if pickled.
- (45) Excluded if in coils.
- (46) Covered if of a thickness of 4.75mm or more.
- (47) Excluded if of tool steel as defined in Additional Note 1(e), (f) and (h) to Chapter 72 of the HTS.
- (48) Covered if in coils.
- (49) Covered if of a thickness of less than 4.75mm.
- (50) Covered if pickled.
- (51) Covered if of a thickness of 0.361mm or more.
- (52) Excluded if coated or plated with metal or clad.
- (53) Covered if of a width of 300mm or more.
- (54) Excluded if of heat resisting steel as defined in Additional Note A(g) to Chapter 72 of the HTS.
- (55) Covered if of a thickness of less than 0.361mm.
- (56) Covered if of a width of less than 300 mm.
- (57) Covered if electrolytically coated or plated with base metal.
- (58) Covered if coated or plated with metal or clad.
- (59) Excluded if electrolytically coated or plated with base metal.
- (60) Covered if of circular cross-section and with a diameter of 19mm or more if of other than circular cross-section.
- (61) Excluded if cold formed.
- (62) Covered if cold formed.
- (63) Covered if of a cross sectional area of less than 19.4 cm<sup>2</sup>.

- (64) Covered if of circular cross-section and with a diameter of 14 mm or more but less than 19mm.
- (65) Covered if of circular cross-section and with either a diameter of less than 14 mm or with a diameter of 14 mm or more but less than 19mm.
- (66) Covered if hot rolled, not drilled, not punched and not otherwise advanced.
- (67) If columns, pillars, posts, beams, girders and similar structural units, excluded if in part of stainless steel or if of cast iron.
- (68) Excluded if other than round or flat wire. Also excluded if flat wire of razor blade steel (cf. footnote 2) or flat wire further worked after flat rolling (cf. footnote 6).
- (69) Excluded if fitted with fittings or made up into articles.
- (70) Excluded if tyre cord. If other than tyre cord and other than stranded wire for prestressing concrete, excluded if of brass plated wire.
- (71) Covered if stranded wire.
- (72) Excluded if stranded wire.
- (73) Excluded if of brass plated wire.
- (74) Excluded if round or flat wire.
- (75) Excluded if thumb tacks; or drive pins, studs or other fasteners, suitable for use in power-activated hand tools; or staples in strip form; or furniture glides; or cut products made of other than round wire and of one piece construction.
- (76) If of a thickness of 4.75mm or more, covered if of tool steel as defined in Additional Note 1(e), (f) and (h) to Chapter 72 of the HTS. If of a thickness of less than 4.75mm, covered if of tool steel as defined in Additional Note 1(e) and (f) to Chapter 72 of the HTS.
- (77) Covered if of tool steel as defined in Additional Note 1(e) and (f) to Chapter 72 of the HTS.
- (78) Covered if of a thickness of less than 4.75mm and of ball-bearing steel as defined in Additional Note 1(h) to Chapter 72 of the HTS.
- (79) Covered if of ball-bearing steel as defined in Additional Note 1(h) to Chapter 72 of the HTS.
- (80) Covered if of a thickness of less than 4.75mm and of heat resisting steel as defined in Additional Note 1(g) to Chapter 72 of the HTS.
- (81) Excluded if obtained by continuous casting.



## ANNEX II

### United States customs territory and United States foreign trade zones

The United States customs territory shall comprise the States, the district of Columbia and Puerto Rico.

A United States foreign zone shall be defined as follows:

It is an isolated, enclosed and policed area, operated as a public utility, in or adjacent to a port of entry, furnished with facilities for lading, unloading, handling, storing, manipulating, manufacturing and exhibiting goods and for reshipping them by land, water or air. Any foreign and domestic merchandise, except such as is prohibited by law or such as the Board may order to be excluded as detrimental to the public interest, health or safety, may be brought into a zone without being subject to the customs laws of the United States governing the entry of goods or the payment of duty thereon; and such merchandise permitted in a zone may be stored, exhibited, manufactured, mixed or manipulated in any manner, except as provided in the act and other applicable laws or regulations. The merchandise may be exported, destroyed or sent into customs territory from the zone, in the original package or otherwise. It is subject to customs duties if sent into customs territory, but not if reshipped to foreign points.

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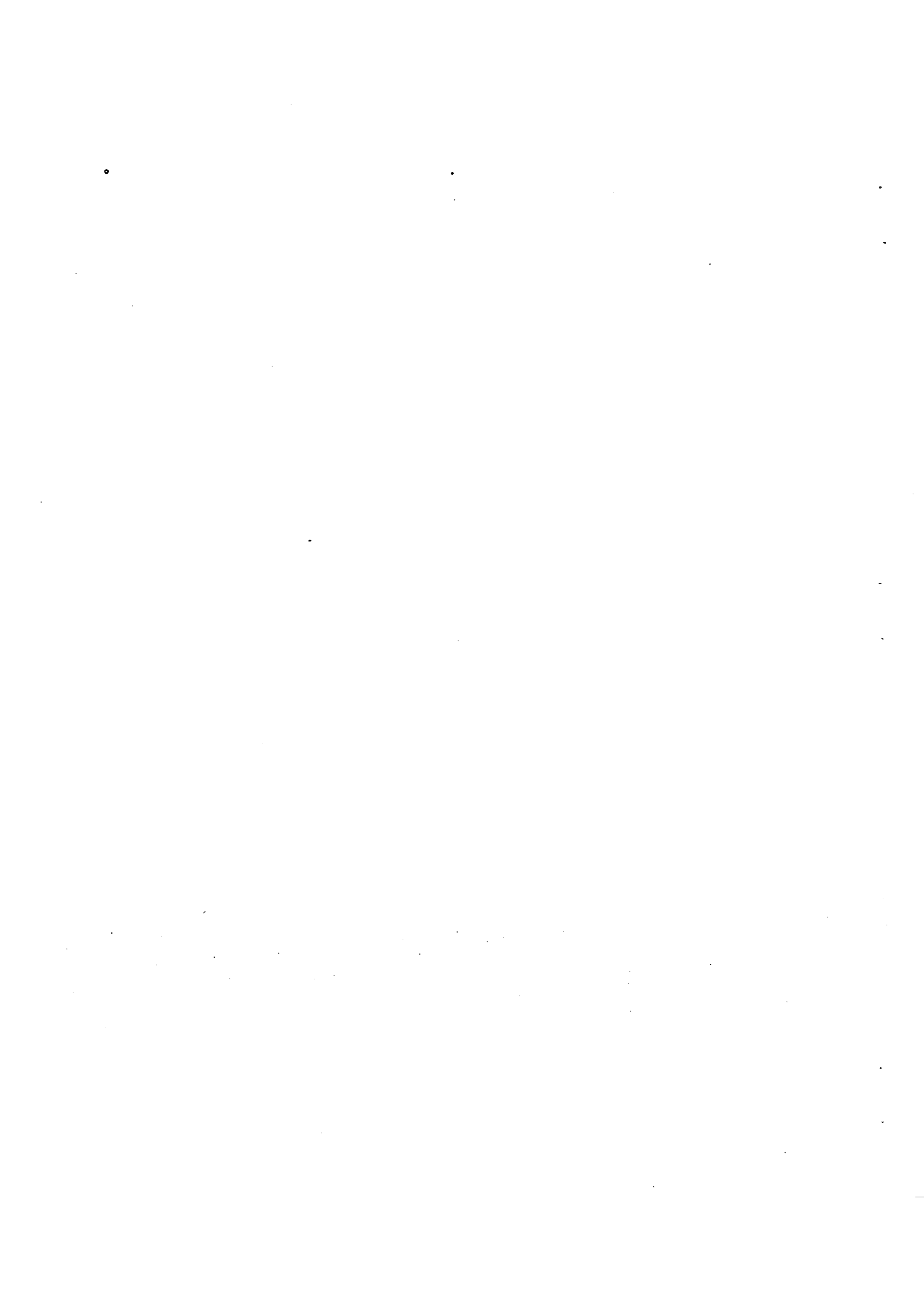
## ALLOCATION AMONG MEMBER STATES

(%)

	D	F	I	NL	B	L	UK	GR	DK	IRL	E	P
Semi-finished products	46.53	13.49	2.79	13.96	12.10	-	4.19	-	-	-	6.94	-
Plate	18.42	2.95	8.47	0.74	38.61	-	11.17	-	1.44	-	18.20	-
Hot rolled sheet and strip	32.66	32.04	8.60	19.39	3.65	0.55	0.85	-	-	-	2.26	-
Cold rolled sheet	39.90	14.46	8.90	14.67	8.14	0.25	2.14	4.75	-	-	6.79	-
Black plate	11.72	10.75	-	16.71	30.96	-	0.16	29.70	-	-	-	-
Cold rolled strip	51.75	6.29	0.39	0.13	3.98	-	8.54	6.13	-	-	22.79	-
Electrical sheet and strip	47.60	1.03	46.11	-	1.23	-	4.03	-	-	-	-	-
Stainless plate	55.90	3.88	0.77	0.03	9.63	-	29.79	-	-	-	-	-
Stainless sheet and strip	19.31	42.23	5.60	0.02	3.84	-	5.44	-	-	-	23.56	-
Tin plate	45.07	32.57	-	10.75	3.35	-	0.69	-	-	-	7.57	-
Tin free steel	78.70	18.90	-	0.89	0.99	-	0.52	-	-	-	-	-
Coated flat rolled products	47.19	19.16	7.15	3.41	3.19	0.35	2.08	-	-	-	12.62	4.85
Reinforcing bar	21.59	26.59	0.08	-	-	-	1.50	-	-	-	50.24	-
Hot finished bar	7.03	11.28	2.78	0.24	4.43	16.05	41.13	-	-	-	17.06	-
Cold finished bar	6.94	45.40	3.85	0.08	0.65	-	27.56	-	-	-	15.52	-
Stainless bar	11.09	22.48	11.10	0.04	0.10	-	9.32	-	0.10	-	45.77	-
Carbon wire rod	12.27	37.57	0.01	2.87	6.62	0.02	21.00	-	-	-	18.91	0.73







## COUNCIL REGULATION (EEC) No.

of

on the restriction of exports of certain steel products  
to the United States of America

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Community has concluded an arrangement<sup>(1)</sup> (hereinafter referred to as 'the Arrangement') with the United States of America under which the amount of exports, to the United States, of certain steel products originating in the Community are to be limited to certain levels over an agreed period; whereas, moreover, it is necessary, pursuant to this Arrangement, to introduce in the Community measures to restrict the amount of these steel products exported to the United States;

Whereas, in accordance with the Arrangement, the export restrictions cover steel products originating in the Community; whereas the origin of these products is determined in accordance with applicable Community legislation, that is to say Council Regulation (EEC) No 802/68 of 27 June 1968 on the common definition of the concept of the origin of goods<sup>(2)</sup>, as last amended by the Act of Accession;

Whereas, for practical and management reasons, the quantitative export limits agreed by the Community must be allocated among the Member States; whereas, in order to do so, an allocation method must be established; whereas, thereafter, the Member States must share out the amounts allocated to them among undertakings in accordance with objective criteria;

Whereas utilization of the Community limits, based on allocations among Member States made in this way, would seem to be in keeping with the Community nature of these limits, considering that in particular the allocation method provides for a maximum use of export possibilities;

Whereas the allocation among the Member States of the total export possibilities which the arrangement affords should take account of traditional trade patterns;

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(1) See page \_\_\_\_\_ of this Official Journal.

(2) OJ No L 148, 28.6.1968, p.1.

Whereas, as provided for the Arrangement, measures must be taken to avoid abnormal concentration at certain times of exports to the United States;

Whereas the Community steel policy aims in particular at allowing the Community steel industry to adapt to the conditions of international competition; whereas the Arrangement is limited to products originating in the Community, it is necessary to provide that export licences issued to undertakings shall indicate the undertaking engaged in production of steel within the Community and established in the issuing Member State that is holding the allocation against which the licence is issued;

Whereas, in order to take account of the interests of distributive undertakings, it must be possible for these licences to be transferred not only between steel undertakings but also by steel undertakings to distributive undertakings, in particular where the steel undertakings decide to sell their products to such distributive undertakings;

Whereas it appears necessary, and for the moment sufficient, that Member States ensure compliance with the different provisions of the regime laid down by applying the various penalties provided for in their laws;

Whereas, in order to facilitate the application of the envisaged provisions, it is appropriate to set up a procedure establishing close cooperation between Member States and the Commission in the framework of a Committee; whereas it is sufficient for this purpose to apply the procedure set up in Council Regulation (EEC) No 1023/70 of 25 May 1970<sup>(1)</sup> which established a common procedure for administering quantitative quotas,

HAS ADOPTED THIS REGULATION:

#### Article 1

1. Community export limits are hereby established for the period 1 October 1989 to 31 December 1990 (hereinafter referred to as 'the initial period'), for the year 1991 for the period 1 January 1992 to 31 March 1992 (hereinafter referred to as 'the end period') for exports effected after 1 October 1989 from the Community to the United States of America (hereinafter referred to as the 'United States') of the steel products originating in the Community which are listed and described in Annex I.

For the purposes of this Regulation, the United States shall comprise United States customs territory and United States foreign trade zones as described in Annex II.

2. The origin of the products covered by this Regulation shall be determined in accordance with the rules in force in the Community.

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(1) OJ No L 124, 8.6.1970, p.1.

Article 2

1. Community export limits per product category shall be calculated by the Commission for the initial period, for the year 1991 and the end period by application to the United States apparent consumption within the meaning of Article 5 and Annex A of the Arrangement of the following percentages:

Product category	Quota (%)
Semi-finished steel	0.76
Plate	7.13
Hot-rolled sheet and strip	7.29
Cold-rolled sheet	5.94
Black plate	12.84
Cold-rolled strip	5.34
Electrical sheet and strip	4.98
Stainless plate	5.89
Stainless sheet and strip	5.94
Tin plate	2.96
Tin-free steel	4.22
Coated flat-rolled products	4.51
Concrete reinforcing bar	0.09
Hot-finished bar	3.09
Cold-finished bar	6.63
Stainless bar	7.40
Carbon wire rod	5.70
Stainless wire rod	13.16
Alloy wire rod	19.68
Bar shapes under 80mm	2.48
Structurals	14.15
Sheet piling	23.70
Stainless wire	15.34
Rails	9.26
Alloy tool steel	11.02

For the following categories, the Community export limits shall be as follows in metric tonnes:

	Initial Period	1991	End Period
Fabricated structurals	20 625	16 500	4 125
Wire Strand	62 250	49 800	12 450
Wire Rope	12 250	9 800	2 450
Carbon/ Alloy Wire	228 250	182 600	45 650
Wire products	31 875	25 500	6 375
Rail products	4 875	3 900	975
Other specialty steel	15 125	12 100	3 025

These quantities also include the products in the corresponding categories referred to in Article 2 of Commission Decision N° /89/ECSC(1).

With regard to semi-finished steel products listed as "other semi-finished (including slabs)" in Annex I, the Community quota, comprised within the general quota for semi-finished steel products shall be equal to 92 % of the total.

With regard to coated flat rolled products listed as "electrogalvanized" in Annex I, the Community quota, comprised within the general quota for coated flat rolled products shall be equal to 25 % of the total.

2. The Community export limits calculated pursuant to paragraph 1 shall be adjusted by the Commission to take account of revisions of the said United States apparent consumption.

3. These limits may also be adjusted in line with the procedure laid down in Article 7:

- for advance use or carry-over of licences,
- to enable transfers between product categories, including transfers between product categories covered by this Regulation and those covered by Regulation (EEC) N° (2),
- for additional quotas in case of short-supply,
- to take account of exports effected by the Community between 1 October 1989 and the date of entry into force of this Regulation,

(1) See page of this Official Journal.  
(2) See page of this Official Journal.

- to take account of changes in the limits for semi-finished products made pursuant to Article 4(e) of the Arrangement on additional quantities to be allocated at the discretion of the United States,

under the conditions provided for in the Arrangement.

### Article 3

1. (a) The Community quantitative export limits established and calculated pursuant to Article 2 shall be allocated for the initial period, 1991 and the end period by the Commission in accordance with Annex III, with the exception of any quantities granted under Articles 4(e) and 8 of the Arrangement, which shall be allocated by the Commission on the basis of the circumstances and conditions under which these quantities have been granted;

(b) Notwithstanding point (a), the Community quantitative export limits to be allocated by the Commission in accordance with Annex III shall be reduced by 10% in the initial period and 1991 for those Member States which, on the basis of certificates referred to in Article 4(1) issued by them, have used less than 40% of their quota by 30 June 1990 and 33% of their quota by 30 June 1991 respectively.

The quantities represented by such reductions shall be allocated by the Commission after consulting the Arrangement Committee on 1 August 1990 and 1 August 1991 respectively so as to facilitate the optimal use and administration of the Community export possibilities taking account of the share of Community exports effected by each Member State in each product category by 30 June 1990 and 30 June 1991 respectively.

(c) Where the Community limits for arrangement products are adjusted in accordance with the fourth indent of Article 2(3), the Commission shall adjust the allocation of quantity limits, taking account of the origin of the exports before the entry into force of this Regulation which gave rise to this adjustment;

2. The Commission shall hold periodic consultations with the Arrangement Committee referred to in Article 3 (2) of Commission Decision No \_\_\_\_\_ on the restriction of exports of certain steel products to the United States of America<sup>(1)</sup> on the situation regarding licences issued and on the measures to be taken with a view to ensuring best use of the overall limit.

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(1) See page \_\_\_\_\_ of this Official Journal.

#### Article 4

1. The Community exports described in Article 1 shall from the date of entry into force of this Regulation to 31 March 1992 be subject to the production to the competent customs office in the Community of an export licence and an export certificate. The export licences shall be issued by the appropriate authorities of each Member State within the limits of the amounts allocated to it pursuant to Article 3.

Member States shall fix the tonnages for which they anticipate that licence will be issued, in each quarter for each product category; they shall inform the Commission thereof in the first 15 days of the relevant quarter. In doing so, they shall make sure that the export licence issues for each quarter ensure an adequate spread of exports over the whole year, taking into account the seasonal variations in trade in the product category in question. However, Member States shall not, without the prior authorization of the Commission, issue in any two consecutive quarters licences for amounts which exceed 52% of their allocation in the initial period of 65% of their allocation in 1991.

Member States may, subject to the second subparagraph hereof, issue further licences in the initial period, 1991 and the end period respectively, in respect of the unutilized part of licences issued which have been returned to their competent authorities in the initial period, 1991 and the end period.

2. Licences shall be issued according to the following criteria:

- compliance with the rules prescribed by this Regulation, in particular those concerning the quota allocated by the Commission pursuant to Article 3,
- compliance with the traditional export patterns of undertakings taking account of the reduction principles established by this Regulation, and of the situation regarding any new undertakings producing steel,
- compliance with the rates of exports to the United States as traditionally spread out over the year,
- compliance with the possibilities afforded by Article 3(1)(b) of this Regulation,
- best use being made of any new possibilities provided for, where appropriate, by this Regulation.

Each licence shall indicate the undertaking engaged in production of steel within the Community, and established in the issuing Member State that is holding the allocation against which the licence is issued.

3. Transfers of export licences between steel undertakings or by steel undertakings to distributive undertakings may take place provided they concern the same product category and after prior notification to the authorities of the Member State in which the undertaking transferring the licence is established. Such transfer may take place between undertakings established in different Member States.

4. Licences issued in one Member State of the Community shall be valid throughout the Community.

5. Member States shall ensure that appropriate sanctions are applied in respect of all exports effected without production of the licence required hereunder and in respect of any other breaches of the provisions relating to such licences. Member States shall keep the Commission informed of all breaches of such measures and of all sanctions imposed in respect thereof, at intervals to be specified by the Commission.

6. The Commission may lay down detailed rules for the implementation of paragraphs 1 to 4 of this Article and specify the information to be provided to the Commission concerning the licences and exports.

#### Article 5

1. Member States shall charge the amounts set out on the licences issued by them against their respective allocations made pursuant to Article 3 including all licences subsequently transferred to an undertaking of another Member State.

2. Member States shall keep records of the exports of the products covered by this Regulation. The products shall be deemed to be so exported as at the date of acceptance, by the customs authorities of the Member State of dispatch, of the export declaration or of the document provided for in Article 18 of Council Directive 81/177/EEC of 24 February 1981 on the harmonization of procedures for the export of Community goods<sup>(1)</sup>.

3. The extent to which a Member State has used up its allocation shall be determined on the basis of licences issued in accordance with Article 4.

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(1) OJ N° L 83, 30.03.1981, p. 40.



Article 6

1. Temporary exports to the United States of arrangement products which are to be re-exported from the United States in the same form or without having been subject to substantial transformation or having been subject to a double substantial transformation as defined in Appendix D of the Arrangement shall be charged against the allocation of the Member States whose authorities issued the licence. Upon production to the authorities of such Member State of proof of such re-exportation from the United States, the allocation of that Member State for the period within which such proof is presented shall be increased by the same amount.

2. The Commission may lay down detailed rules for the implementation of this Article.

Article 7

Where reference is made to the procedure mentioned in this Article, Article 11 of Regulation (EEC) N° 1023/70 will apply.

Article 8

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

The President

Annex I - List of products

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Blooms and Billets	7207.11	7207.11
	7207.12.0010	7207.12.11(41)
	7207.19(40)	7207.12.19(41)
	7207.20.0025	7207.12.90(41)
	7207.20.0075(40)	7207.19(40)
	7207.20.0090(40)	7207.20.11(41)
	7218.90.0010	7207.20.15(41)
	7218.90.0020	7207.20.17(41)
	7218.90.0045(40)	7207.20.19(41)
	7218.90.0055(40)	7207.20.31(41)
	7218.90.0070(40)	7207.20.33(41)
	7218.90.0080(40)	7207.20.39(41)
	7224.90.0010	7207.20.51
	7224.90.0030(40)	7207.20.55
	7224.90.0040	7207.20.57
	7224.90.0060(40)	7207.20.59(40)
	7224.90.0070(40)	7207.20.71
		7207.20.79(40)
		7207.20.90(40)
		7218.90.11(42)
		7218.90.13(42)
		7218.90.15(41)(42)
		7218.90.19(41)(42)
		7218.90.30(41)(42)
		7218.90.50(42)
		7218.90.91(40)(42)
		7218.90.99(40)(42)
		7224.90.11(41)
		7224.90.19(41)
		7224.90.30
		7224.90.91(40)
		7224.90.99(40)
	Other Semi-Finished (including slabs)	7206.10
7207.12.0050		7207.12.11(43)
7207.20.0045		7207.12.19(43)
7218.10(17)		7207.12.90(43)
7218.90.0035		7207.20.31(43)
7224.10(17)		7207.20.33(43)
7224.90.0020		7207.20.39(43)
7224.90.0050		7218.10.00(17)
		7218.90.15(43)
		7218.90.19(43)
		7218.90.30(43)
		7224.10.00(17)
		7224.90.11(43)
	7224.90.19(43)	

This Annex lists, for information purposes, the products which come under the ECSC Treaty and are covered by Article 1(1) of Decision No /89/ECSC.

The subheadings and item numbers referred to above are subject to revision when the EC or the US adopt modifications to their respective import nomenclatures. When such modifications are adopted, prior notification shall be given to the other party.

PRODUCT

HTS

Combined Nomenclature

Plate

7208.31  
7208.32  
7208.33.50  
7208.41  
7208.42  
7208.43  
7210.90.10(5)(6)  
7211.11  
7211.12  
7211.21  
7211.22.0045  
7212.60(6)  
7225.30.30  
7225.40.30  
7225.50.60  
7226.91.50

7208.31.00  
7208.32  
7208.33  
7208.33.10(44)  
7208.33.91(44)  
7208.33.99(44)  
7208.41.00  
7208.42  
7208.43  
7210.90.31(5)  
7211.11.00  
7211.12  
7211.21.00  
7211.22.10(45)  
7211.22.90(45)  
7212.60(6)  
7225.30.00(46)(47)  
7225.40.10(47)  
7225.40.30(47)  
7225.40.50(47)  
7225.50.00(46)(47)  
7226.91.00(46)(47)

Hot Rolled Sheet &  
Strip

7208.11  
7208.12  
7208.13  
7208.14  
7208.21.50  
7208.22.50  
7208.23  
7208.24  
7208.34  
7208.35  
7208.44  
7208.45  
7208.90(5)(6)  
7211.19(3)  
7211.22.0090  
7211.29(3)  
7225.30.70(3)  
7225.40.70(3)  
7226.91.70(3)  
7226.91.80(3)

7208.11.00  
7208.12  
7208.13  
7208.14  
7208.21.10(44)  
7208.21.90(44)  
7208.22.10(44)  
7208.22.91(44)  
7208.22.99(44)  
7208.23  
7208.24  
7208.34  
7208.35  
7208.44  
7208.45  
7208.90(5)(6)  
7211.19(3)  
7211.22(48)  
7211.29(3)  
7225.30.00(3)(47)(49)  
7225.40.70(3)(47)  
7225.40.90(3)(47)  
7226.91.00(3)(47)(49)

PRODUCTHTSCombined Nomenclature

## Cold Rolled Sheet

7208.21.10	7208.21.10(50)
7208.22.10	7208.21.90(50)
7208.33.10	7208.22.10(50)
7209.11	7208.22.91(50)
7209.12	7208.22.99(50)
7209.13	7208.33.10(50)
7209.14	7208.33.91(50)
7209.21	7208.33.99(50)
7209.22	7209.11.00
7209.23	7209.12
7209.24.50	7209.13
7209.31	7209.14
7209.32	7209.21.00
7209.33	7209.22
7209.34	7209.23
7209.41	7209.24.10(51)
7209.42	7209.24.91(51)
7209.43	7209.31.00
7209.44	7209.32
7209.90(5)(6)	7209.33
7210.70.30(5)(6)	7209.34
7211.30.50	7209.41.00
7211.41.70	7209.42
7211.49.50	7209.43
7225.50.80(3)	7209.44
7225.90(3)(5)(6)	7209.90(5)(6)
7226.92.50(3)	7210.70.19(5)(52)
	7210.70.90(5)(6)(52)
	7211.30(53)
	7211.41(53)
	7211.49(53)
	7225.50.00(3)(47)(49)(54)
	7225.90(3)(5)(6)
	7226.92(3)(53)

## Blackplate

7209.24.10

7209.24(55)

## Cold Rolled Strip

7211.30.10(3)(16)	7211.30.31(3)(16)(56)
7211.30.30(3)(16)	7211.30.39(3)(16)(56)
7211.41.10(3)(16)	7211.30.50(3)(16)(56)
7211.41.30(3)(16)	7211.30.90(3)(16)(56)
7211.41.50(3)(16)	7211.41.91(3)(16)(56)
7211.49.10(3)(16)	7211.41.95(3)(16)(56)
7211.49.30(3)(16)	7211.41.99(3)(16)(56)
7211.90(3)(6)(16)	7211.49.91(3)(16)(56)
7212.30.10(6)(16)	7211.49.99(3)(16)(56)
7212.30.30(6)(16)	7211.90.90(3)(6)(16)(56)
7212.40.10(6)(16)	7212.30.90(6)(16)(56)
7226.92.70(3)(16)	7212.40.10(6)(16)(56)
7226.92.80(3)(16)	7212.40.99(6)(16)(56)
7226.99(3)(6)(16)	7226.92.90(3)(16)(47)(56)
	7226.99(3)(6)(16)

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Electrical Sheet and Strip	7225.10(5)(6) 7226.10(6)	7225.10(5)(6) 7226.10(6)
Stainless Plate	7219.11(19)(20) 7219.12(19)(20) 7219.21(19)(20) 7219.22(19)(20) 7219.31(19)(20) 7220.11(19)(20)	7219.11(19)(20) 7219.12(19)(20) 7219.21(19)(20) 7219.22(19)(20) 7219.31(19)(20) 7220.11.00(19)(20)
Stainless Sheet & Strip	7219.13(19)(20)(21) 7219.14(19)(20)(21) 7219.23(19)(20)(21) 7219.24(19)(20)(21) 7219.32(19)(20)(21) 7219.33(19)(20)(21) 7219.34(19)(20)(21) 7219.35(19)(20)(21) 7219.90(5)(6)(19)(20)(21) 7220.12(2)(19)(20)(22) 7220.20.10(19)(20)(22) 7220.20.60(19)(20)(22) 7220.20.70(19)(20)(22) 7220.20.90(19)(20)(22) 7220.90(2)(6)(19)(20)(22)	7219.13(19)(20)(21) 7219.14(19)(20)(21) 7219.23(19)(20)(21) 7219.24(19)(20)(21) 7219.32(19)(20)(21) 7219.33(19)(20)(21) 7219.34(19)(20)(21) 7219.35(19)(20)(21) 7219.90(5)(6)(19)(20)(21) 7220.12.00(2)(19)(20)(22) 7220.20(2)(19)(20)(22) 7220.90(2)(6)(19)(20)(22)
Tinplate	7210.11(5)(6) 7210.12(5)(6) 7212.10(6)	7210.11(5)(6) 7210.12(5)(6) 7212.10(6)
Tin Free Steel	7210.50(6) 7210.90.60(6)	7210.50(6) 7210.90.35 7210.90.39(57) 7210.90.90(6)(57)
Electrogalvanized	7210.31(5)(6) 7210.39(5)(6) 7212.21(6) 7212.29(6)	7210.31(5)(6) 7210.39(5)(6) 7212.21(6) 7212.29(6)

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Other Coated Flat-Rolled Products	7210.20(5)(6)	7210.20(5)(6)
	7210.41(5)(6)	7210.41(5)(6)
	7210.49(5)(6)	7210.49(5)(6)
	7210.60(6)(24)	7210.60(6)(24)
	7210.70.60(5)(6)	7210.70(5)(6)(58)
	7210.90.90(5)(6)	7210.90.33(5)(6)(59)
	7212.30.50(6)	7210.90.35(5)(6)(59)
	7212.40.50(6)	7210.90.39(5)(6)(59)
	7212.50(6)	7210.90.90(5)(6)(59)
		7212.30(6)(53)
		7212.40(6)(53)
		7212.50.31(6)
		7212.50.39(6)
		7212.50.51(6)
		7212.50.59(6)
		7212.50.71(6)
		7212.50.73(6)
	7212.50.75(6)	
	7212.50.91(6)	
	7212.50.93(6)	
	7212.50.97(6)	
	7212.50.99(6)	
Rebar	7214.20	7214.20.00
Hot-finished Bar	7213.39.0060	7213.39.00(60)
	7213.39.0090	7213.49.00(60)
	7213.49.0060	7213.50.00(60)
	7213.49.0090	7214.10.00
	7213.50.0060	7214.30.00
	7213.50.0080	7214.40
	7214.10	7214.50
	7214.30	7214.60.00
	7214.40	7228.20.11
	7214.50	7228.20.19
	7214.60	7228.20.30
	7228.20.10(6)	7228.20.50
	7228.30.80	7228.20.90(61)
	7228.40	7228.30.10(47)
	7228.60.60(6)	7228.30.90(47)
		7228.40.00
		7228.60.10(47)
	7228.60.90(47)(61)	
Cold-finished Bar	7215.10	7215.10.00
	7215.20	7215.20.00
	7215.30	7215.30.00
	7215.40	7215.40.00
	7215.90(6)	7215.90(6)
	7228.20.50(6)	7228.20.70
	7228.50.50	7228.50.00(47)
	7228.60.80(6)	7228.60.90(6)(47)(62)
	7228.80	7228.80

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Stainless Bar	7218.90.0030	7218.90.11(63)
	7218.90.0065	7218.90.13(63)
	7218.90.0090	7218.90.15(41)(63)
	7221.00.0060	7218.90.19(41)(63)
	7221.00.0080	7218.90.30(41)(63)
	7222.10	7218.90.50(63)
	7222.20	7218.90.91(63)
	7222.30(6)	7218.90.99(63)
		7221.00.10(60)
		7221.00.90(60)
		7222.10
		7222.20
		7222.30(6)
Carbon Wire Rod	7213.10	7213.10.00
	7213.20	7213.20.00
	7213.31	7213.31.00
	7213.39.0030	7213.39.00(64)
	7213.41	7213.41.00
	7213.49.0030	7213.49.00(64)
	7213.50.0020	7213.50.00(65)
7213.50.0040		
Stainless Wire Rod	7221.00.0020	7221.00.10(65)
	7221.00.0040	7221.00.90(65)
Alloy Wire Rod	7227.20	7227.20.00
	7227.90.60	7227.90.10
		7227.90.90(47)
Bar Shapes Less Than 80mm	7216.10(81)	7216.10.00(81)
	7216.21(81)	7216.21.00(81)
	7216.22(81)	7216.22.00(81)
Structurals	7216.31(81)	7216.31.00(81)
	7216.32(81)	7216.32.00(81)
	7216.33(81)	7216.33.00(81)
	7216.40(81)	7216.40(81)
	7216.50(81)	7216.50(81)
	7216.60(81)	7216.60(81)
	7222.40.30(81)	7222.40.11(66)(81)
	7228.70.30(81)	7222.40.19(66)(81)
		7222.40.30(66)(81)
		7222.40.99(66)(81)
		7228.70.10(66)(81)
	7228.70.31(66)(81)	
	7228.70.99(66)(81)	

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Sheet Piling	7301.10	7301.10.00
Fabricated Structural	7216.90(81)	7216.90(81)
	7222.40.60	7222.40.99(81)
	7228.70.60	7228.70.99(81)
	7301.20	7301.20.00
	7308.10	7308.10.00
	7308.20	7308.20.00
	7308.30(15)	7308.30.00(15)
	7308.40	7308.40.00
	7308.90.30(12)	7308.90(9)(14)(67)
	7308.90.60(13)	
	7308.90.90(9)(14)	
Stainless Wire	7223.00.10	7223.00.10(68)
	7223.00.50(2)(6)	7223.00.90(68)
Wire Strand	7312.10.10(4)	7312.10.30(4)(69)
	7312.10.3015(4)	7312.10.50(4)(69)(71)
	7312.10.3065(4)	7312.10.71(4)(69)
	7312.10.3075(4)	7312.10.75(4)(69)
	7312.10.3090(4)	7312.10.79(4)(69)
Wire Rope	7312.10.60(4)	7312.10.50(4)(69)(72)
	7312.10.90(4)	7312.10.91(4)(69)
		7312.10.95(4)(69)
		7312.10.99(4)(69)(73)
Other Wire	7217.11	7217.11
	7217.12	7217.12
	7217.13	7217.13
	7217.19	7217.19
	7217.21	7217.21.00
	7217.22	7217.22.00
	7217.23	7217.23.00
	7217.29	7217.29.00
	7217.31(3)	7217.31.00(3)
	7217.32	7217.32.00
	7217.33	7217.33.00
	7217.39(3)	7217.39.00(3)
	7223.00.90	7223.00.10(74)
	7229.20	7223.00.90(74)
	7229.80	7229.20.00
		7229.90.00



<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>
Wire Products	7313.00(11)	7313.00.00(11)
	7314.41(8)	7314.41(8)
	7314.42(8)	7314.42(8)
	7314.49(8)	7314.49.00(8)
	7317.00.55(7)	7317.00(7)(75)
	7317.00.6560(7)	
	7317.00.75(7)	
Rails	7302.10(10)	7302.10(10)
Rail Products	7302.20(18)	7302.20.00(18)
	7302.40(18)	7302.40.10
	7302.90(23)	7302.90.30(23)
	8607.19.10	7302.90.90(23)
	8607.19.20	8607.19.11
		8607.19.19
Alloy Tool Steel	7225.20 (5)(6)	7225.20 (5)(6)
	7225.30.10	7225.30.00(76)
	7225.30.5060	7225.40(77)
	7225.40.1090	7225.50.00(77)
	7225.40.5060	7226.20 (6)
	7225.50.1060	7226.91.00(77)
	7226.20 (6)	7226.92(77)
	7226.91.1060	7227.10.00
	7226.91.3060	7227.90(77)
	7226.92.1060	7228.10(6)
	7226.92.3060	7228.30(77)
	7227.10	7228.50.00(77)
	7227.90.1060	7228.60(6)(77)
	7227.90.2060	7229.10.00
	7228.10(6)	
	7228.30.40	
	7228.30.60	
	7228.50.1020	
	7228.50.1040	
	7228.50.1060	
7228.50.1080		
7228.60.1060(6)		
7229.10		
Other Speciality Steel	7225.30.5030	7225.30.00(78)
	7225.40.1015	7225.40(79)
	7225.40.5030	7225.50.00(79)(80)
	7225.50.1030	7226.91.00(79)
	7225.50.70	7226.92(79)
	7226.91.1030	7227.90(79)
	7226.91.3030	7228.30(79)
	7226.92.1030	7228.50.00(79)
	7226.92.3030	7228.60(6)(79)
	7227.90.1030	
	7227.90.2030	
	7228.30.20	
	7228.50.1010	
7228.60.1030(6)		

FOOTNOTES

- (1) Excluded if of wrought iron.
- (2) Excluded if "razor blade steel," i.e., flat-rolled products of stainless steel not over 0.25mm in thickness and not over 23mm in width, containing by weight not over 14.7 percent of chromium, and certified at the time of entry to be used in the manufacture of razor blades.
- (3) Excluded if "carbon/alloy band saw steel" defined as follows:

(a) "metal cutting band saw steel" referring to steel flat-rolled products, not less than 0.61mm and not more than 0.91mm in thickness, not less than 6.30mm and not more than 50.80mm in width, in coils, containing:

- carbon : not less than 1.18 percent and not more than 1.32 percent,
- chromium : not less than 0.15 percent and not more than 0.32 percent,
- manganese. : not less than 0.10 percent and not more than 0.40 percent,

certified by the importer of record or the ultimate consignee for use in the manufacture of metal-cutting band saw blades; or (b) "wood band saw steel" referring to (1) alloy steel flat-rolled products less than 4.75mm in thickness which contains, in addition to iron, each of the following elements by weight in the amount specified:

- carbon : not less than 0.70 nor more than 0.81 percent;
- manganese : not less than 0.30 nor more than 0.55 percent;
- silicon : not less than 0.20 nor more than 0.35 percent;
- nickel : not less than 1.60 nor more than 2.70 percent;
- chromium : none, or not more than 0.50 percent;
- phosphorus : none, or not more than 0.03 percent; and
- sulfur : none, or not more than 0.15 percent;

or (2) cold-rolled flat-rolled products less than 4.75mm in thickness, less than 300mm in width, which contains, in addition to iron, each of the following elements by weight in the amount specified:

carbon : not less than 0.70 nor more than 0.81 percent;

manganese : not less than 0.30 nor more than 0.50 percent;

silicon : not less than 0.20 nor more than 0.35 percent;

chromium : none, or not more than 0.50 percent; and

phosphorus : none, or not more than 0.03 percent; and

sulfur : none, or not more than 0.15 percent,

certified by the importer of record or the ultimate consignee for use in the manufacture of wood band saws.

- (4) Excluded if covered with textile or other non-metallic material.
- (5) Excluded if cut, pressed or stamped to non-rectangular shape.
- (6) Excluded if worked after flat rolling, e.g., perforated, bevelled, rounded at the edges.
- (7) Excluded if corrugated fasteners, glaziers' points, hook nails, or ring nails.
- (8) Excluded if other than galvanized wire fencing wholly of round iron or steel wire measuring not over 5.08mm and not under 1.905mm in diameter, whether or not such wire is covered with plastics.
- (9) Excluded if fence or sign posts.
- (10) Excluded if current-conducting rail.
- (11) Excluded if twisted hoop or single flat wire, whether or not barbed.
- (12) Excluded if of cut iron.
- (13) Excluded if in part of stainless steel.

- (14) Excluded if plastic foam core insulating composite panels.
- (15) Excluded if door or window frames.
- (16) Excluded if bale ties.
- (17) Excluded if other primary forms, e.g., blocks, lumps, puddled bars and pilings, pieces roughly shaped by forging.
- (18) Excluded if forged.
- (19) Excluded if cladding grade 434 stainless steel certified by the importer of record to be used in the manufacture of stainless steel clad automobile trim.
- (20) Excluded if grade 253MA or 254SMO stainless steel.
- (21) Excluded if stainless steel flat-rolled products less than 4.75mm in thickness and over 1,803.4mm in width.
- (22) Excluded if stainless steel flat-rolled products less than 4.75mm in thickness, less than 300mm in width, and certified by the importer of record or ultimate consignee to be used in the manufacture of stainless steel flapper valves for compressors.
- (23) Covered if either (A) hot-rolled and designed to connect the ends of adjacent rails in track (i.e., "joint bars"). These products are usually punched or slotted; or (B) hot-rolled and used to support rails in track, to maintain track gauge, and protect the ties (i.e., "tie plates"). These products are punched to provide holes for spikes and have one or two shoulder sections as rail guides.
- (24) Excluded if cut, pressed or stamped to non-rectangular shape and other than electrolytically coated or plated.

- (40) Excluded if pieces roughly shaped by forging.
- (41) Covered if of a width measuring less than four times the thickness.
- (42) Covered if of a cross-sectional area of 19.4 cm<sup>2</sup> or more, but less than 232 cm<sup>2</sup> or of a cross sectional area of 232 cm<sup>2</sup> or more.
- (43) Covered if of a width measuring at least four times the thickness.
- (44) Excluded if pickled.
- (45) Excluded if in coils.
- (46) Covered if of a thickness of 4.75mm or more.
- (47) Excluded if of tool steel as defined in Additional Note 1(e), (f) and (h) to Chapter 72 of the HTS.
- (48) Covered if in coils.
- (49) Covered if of a thickness of less than 4.75mm.
- (50) Covered if pickled.
- (51) Covered if of a thickness of 0.361mm or more.
- (52) Excluded if coated or plated with metal or clad.
- (53) Covered if of a width of 300mm or more.
- (54) Excluded if of heat resisting steel as defined in Additional Note A(g) to Chapter 72 of the HTS.
- (55) Covered if of a thickness of less than 0.361mm.
- (56) Covered if of a width of less than 300 mm.
- (57) Covered if electrolytically coated or plated with base metal.
- (58) Covered if coated or plated with metal or clad.
- (59) Excluded if electrolytically coated or plated with base metal.
- (60) Covered if of circular cross-section and with a diameter of 19mm or more if of other than circular cross-section.
- (61) Excluded if cold formed.
- (62) Covered if cold formed.
- (63) Covered if of a cross sectional area of less than 19.4 cm<sup>2</sup>.

- (64) Covered if of circular cross-section and with a diameter of 14 mm or more but less than 19mm.
- (65) Covered if of circular cross-section and with either a diameter of less than 14 mm or with a diameter of 14 mm or more but less than 19mm.
- (66) Covered if hot rolled, not drilled, not punched and not otherwise advanced.
- (67) If columns, pillars, posts, beams, girders and similar structural units, excluded if in part of stainless steel or if of cast iron.
- (68) Excluded if other than round or flat wire. Also excluded if flat wire of razor blade steel (cf. footnote 2) or flat wire further worked after flat rolling (cf. footnote 6).
- (69) Excluded if fitted with fittings or made up into articles.
- (70) Excluded if tyre cord. If other than tyre cord and other than stranded wire for prestressing concrete, excluded if of brass plated wire.
- (71) Covered if stranded wire.
- (72) Excluded if stranded wire.
- (73) Excluded if of brass plated wire.
- (74) Excluded if round or flat wire.
- (75) Excluded if thumb tacks; or drive pins, studs or other fasteners, suitable for use in power-activated hand tools; or staples in strip form; or furniture glides; or cut products made of other than round wire and of one piece construction.
- (76) If of a thickness of 4.75mm or more, covered if of tool steel as defined in Additional Note 1(e), (f) and (h) to Chapter 72 of the HTS. If of a thickness of less than 4.75mm, covered if of tool steel as defined in Additional Note 1(e) and (f) to Chapter 72 of the HTS.
- (77) Covered if of tool steel as defined in Additional Note 1(e) and (f) to Chapter 72 of the HTS.
- (78) Covered if of a thickness of less than 4.75mm and of ball-bearing steel as defined in Additional Note 1(h) to Chapter 72 of the HTS.
- (79) Covered if of ball-bearing steel as defined in Additional Note 1(h) to Chapter 72 of the HTS.
- (80) Covered if of a thickness of less than 4.75mm and of heat resisting steel as defined in Additional Note 1(g) to Chapter 72 of the HTS.
- (81) Excluded if obtained by continuous casting.



## ANNEX II

United States customs territory and United States foreign trade zones

The United States customs territory shall comprise the States, the district of Columbia and Puerto Rico.

A United States foreign zone shall be defined as follows:

It is isolated, enclosed and policed area, operated as a public utility, in or adjacent to a port of entry, furnished with facilities for lading, unloading, handling, storing, manipulating, manufacturing and exhibiting goods and for reshipping them by land, water or air. Any foreign and domestic merchandise, except such as is prohibited by law or such as the Board may order to be excluded as detrimental to the public interest, health or safety, may be brought into a zone without being subject to the customs laws of the United States governing the entry of goods or the payment of duty thereon; and such merchandise permitted in a zone may be stored, exhibited, manufactured, mixed or manipulated in any manner, except as provided in the act and other applicable laws or regulations. The merchandise may be exported, destroyed or sent into customs territory from the zone, in the original package or otherwise. It is subject to customs duties if sent into customs territory, but not if reshipped to foreign points.



## ALLOCATION AMONG MEMBER STATES

(%)

	D	F	I	NL	B	L	UK	GR	DK	IRL	E	P
Semi-finished products	46.53	13.49	2.79	13.96	12.10	-	4.19	-	-	-	6.94	-
Plate	18.42	2.95	8.47	0.74	38.61	-	11.17	-	1.44	-	18.20	-
Hot rolled sheet and strip	32.66	32.04	8.60	19.39	3.65	0.55	0.85	-	-	-	2.26	-
Cold rolled sheet	39.90	14.46	8.90	14.67	8.14	0.25	2.14	4.75	-	-	6.79	-
Black plate	11.72	10.75	-	16.71	30.96	-	0.16	29.70	-	-	-	-
Cold rolled strip	51.75	6.29	0.39	0.13	3.98	-	8.54	6.13	-	-	22.79	-
Electrical sheet and strip	47.60	1.03	46.11	-	1.23	-	4.03	-	-	-	-	-
Stainless plate	55.90	3.88	0.77	0.03	9.63	-	29.79	-	-	-	-	-
Stainless sheet and strip	19.31	42.23	5.60	0.02	3.84	-	5.44	-	-	-	23.56	-
Tin plate	45.07	32.57	-	10.75	3.35	-	0.69	-	-	-	7.57	-
Tin free steel	78.70	18.90	-	0.89	0.99	-	0.52	-	-	-	-	-
Coated flat rolled products	47.19	19.16	7.15	3.41	3.19	0.35	2.08	-	-	-	12.62	4.85
Reinforcing bar	21.59	26.59	0.08	-	-	-	1.50	-	-	-	50.24	-
Hot finished bar	7.03	11.28	2.78	0.24	4.43	16.05	41.13	-	-	-	17.06	-
Cold finished bar	6.94	45.40	3.85	0.08	0.65	-	27.56	-	-	-	15.52	-
Stainless bar	11.09	22.48	11.10	0.04	0.10	-	9.32	-	0.10	-	45.77	-
Carbon wire rod	12.27	37.57	0.01	2.87	6.62	0.02	21.00	-	-	-	18.91	0.73





COUNCIL REGULATION (EEC) N°  
of -----, 198  
on the restriction of exports of steel pipes and tubes  
to the United States of America

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Community has concluded an Arrangement<sup>(1)</sup>, hereinafter referred to as 'the Arrangement', with the United States of America under which exports to the United States of certain steel pipes and tubes originating in the Community are to be limited to certain levels over an agreed period; whereas, moreover, it is necessary, pursuant to this Arrangement, to introduce in the Community measures to restrict the amount of these products exported to the United States;

Whereas, in accordance with the Arrangement, the export restrictions cover steel pipes and tubes originating in the Community; whereas the origin of these products is determined in accordance with applicable Community legislation, that is to say Council Regulation (EEC) No 802/68 of 27 June 1968 on the common definition of the concept of the origin of goods<sup>(2)</sup>, as last amended by the ----- Act of Accession;

Whereas, for practical and management reasons, the quantitative export limits agreed by the Community must be allocated among the Member States, whereas, in order to do so, an allocation method must be established, whereas, thereafter the Member States must share out the amount allocated to them among undertakings in accordance with objective criteria;

Whereas utilization of the Community limits, based on allocations among Member States made in this way, would seem to be in keeping with the Community nature of these limits, considering that in particular the allocation method provides for a maximum use of export possibilities;

Whereas the allocation among the Member States of the total export possibilities which the Arrangement affords should take account of traditional trade patterns;

Whereas measures must be taken to avoid abnormal concentration at certain times of exports to the United States;

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(1) See page - of this Official Journal.

(2) OJ No L 148, 28.06.1968, p. 1

Whereas, in order to keep a check on exports, a system of export licences and certificates should be introduced;

Whereas it is necessary to provide that export licences issued to undertakings shall indicate the undertaking engaged in production of steel pipes and tubes within the Community and established in the issuing Member States that is holding the allocating against which the licence is issued;

Whereas, in order to take account of the interests of distributive undertakings, it must be possible for these licences to be transferred not only between undertakings producing steel pipes and tubes but also by undertakings producing steel pipes and tubes to distributive undertakings in particular where the undertakings producing steel pipes and tubes decide to sell their products to such distributive undertakings;

Whereas it appears necessary, and for the moment sufficient, that Member States ensure compliance with the different provisions of the regime laid down by applying the various penalties provided for in their laws;

Whereas, in order to facilitate the application of the envisaged provisions, it is appropriate to set up a procedure establishing close cooperation between the Member States and the Commission within a committee; whereas it is sufficient for this purpose to apply the procedure set up in Council Regulation (EEC) No 1023/70 of 25 May 1970 establishing a common procedure for administering quantitative quotas<sup>(1)</sup>,

HAS ADOPTED THIS REGULATION :

#### Article 1

1. Community export limits are hereby established for the period 1 October 1989 to 31 December 1990 (hereinafter referred to as 'the initial period'), for the year 1991 and for the period 1 January 1992 to 31 March 1992 (hereinafter referred to as 'the end period') for exports effected after 1 October 1989 from the Community to the United States of America (hereinafter referred to as 'the United States') of the steel pipes and tubes originating in the Community which are listed in Annex I.

For the purposes of this Regulation, the United States shall comprise United States customs territory and United States foreign trade zones as described in Annex II.

2. The origin of the products covered by this Regulation shall be determined in accordance with the rules in force in the Community.

## Article 2

1. The Community export limit for steel tubes and pipes is hereby fixed at 8.82% of United States apparent consumption.

In the case of what are termed OCTG tubes, as referred to in Annex I, the Community limit, forming part of the overall limit for steel pipes and tubes, is hereby fixed at 9% of apparent consumption of these tubes in the United States.

The limits shall be calculated by the Commission on the basis of the level of apparent consumption of these products in the United States, as laid down in the Arrangement.

2. The Community export limits calculated pursuant to paragraph 1 shall be adjusted by the Commission to take account of revisions of the said United States apparent consumption.

3. These limits may also be adjusted by the Commission after consulting the Arrangement Committee :

- for advance use or carry-over of licences,
- to enable transfers between product categories, including transfers between on the one hand the products covered by this Regulation and on the other those covered by Regulation (EEC) No ----/--<sup>(1)</sup> and by Decision ----/-- ECSC<sup>(2)</sup>,
- for additional quotas in case of short supply,
- to take account of exports effected by the Community between 1 October 1989 and the date of entry into force of this Regulation,

under the conditions provided for in the Arrangement.

## Article 3

1.(a) The Community quantitative export limits established and calculated pursuant to Article 2 shall be allocated for the initial period, 1991 and the end period by the Commission in accordance with Annex III with the exception of any quantities granted under Article 7 of the Arrangement which shall be allocated by the Commission on the basis of the circumstances and conditions under which these quantities have been granted.

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(1) OJ No L

(2) OJ No L

(b) Notwithstanding point (a), the Community quantitative export limits to be allocated by the Commission in accordance with Annex III shall be reduced by 10% in the initial period and 1991 for those Member States which, on the basis of certificates referred to in Article 4(1) issued by them, have used less than 40% of their quota by 30 June 1990 and 33% of their quota by 30 June 1991 respectively.

The quantities represented by such reductions shall be allocated by the Commission on 1 August 1990 and 1 August 1991 respectively so as to facilitate the optimal use and administration of the Community export possibilities taking account of the share of Community exports effected by each Member State in each product category by 30 June 1990 and 30 June 1991 respectively.

(c) Where the Community limits for arrangement products are adjusted in accordance with the fourth indent of Article 2(3), the Commission shall adjust the allocation of quantity limits, taking accounts of the origin of the exports before the entry into force of this Decision which gave rise to this adjustment.

2. The Commission shall hold regular consultations with the Arrangement Committee set up by Decision --/--/ECSC, ---'' on the situation regarding licences issued and on the measures to be taken with a view to ensuring the best use of the overall limit.

#### Article 4

1. The Community exports described in Article 1 shall, from the date of entry into force of this Regulation to 31 March 1992, be subject to the production to the competent Community customs office where the export formalities are carried out of an export licence and an export certificate. The export licences shall be issued by the competent authorities of each Member State within the limits of the amounts allocated to it pursuant to Article 3.

Member States shall fix for each quarter the amounts for which they anticipate that licences will be issued for all steel pipes and tubes on the one hand and for OCTG on the other; they shall inform the Commission thereof in the first 15 days of the relevant quarter. In doing so, they shall make sure that the export licences for each quarter ensure an adequate spread of exports over the whole year, taking into account the seasonal variations in trade in each product category. However, Member States shall not, without the prior authorization of the Commission, issue in any two consecutive quarters licences for amounts which exceed 52% of their allocation in the initial period or 65% of their allocation in 1991.

Member States may, subject to the second subparagraph, issue further licences in the initial period, 1991 and the end period respectively, in respect of the unused part of licences issued which have been returned to their competent authorities in the initial period, 1991 and the end period.

2. Licences shall be issued according to the following criteria:

- compliance with the rules prescribed by this Regulation, in particular those concerning the quota allocated by the Commission pursuant to Article 3,
- compliance with the traditional export patterns of undertakings taking account of the reduction principles established by this Regulation and of the situation of new producers of pipes and tubes,
- compliance with the rates of exports to the United States as traditionally spread out over the year,
- optimum use and administration of the export possibilities afforded by this Regulation,
- compliance with the possibilities afforded by Article 3(1)(b) of this Regulation,
- best use being made of any new possibilities provided for, where appropriate, by this Regulation.

Each licence shall indicate the undertaking engaged in the production of steel pipes and tubes in the Community, and established in the issuing Member State that is holding the allocation against which the licence is issued.

3. Transfers of export licences between undertakings producing steel tubes and pipes, or by undertakings producing steel pipes and tubes to distributive undertakings, may take place after prior notifications to the authorities of the Member State in which the undertaking transferring the licence is established. Such transfers may take place between undertakings established in different Member States.



4. The licence must specify whether the tubes are OCTG tubes or other steel pipes or tubes.

5. Licences issued in one Member State of the Community shall be valid throughout the Community.

6. Member States shall ensure that appropriate penalties are applied in respect of all exports effected without production of the licence referred to in this Article and in respect of any other breaches of the provisions relating to such licences. Member States shall keep the Commission informed of all breaches of the abovementioned rules and of all penalties imposed in respect thereof, at intervals to be specified by the Commission.

7. The detailed rules for the application of this Regulation and the information to be supplied to the Commission concerning the licences and exports shall be laid down by the Commission.

#### Article 5

1. Member States shall charge the amounts set out on the licences issued by them against their respective allocations made pursuant to Article 3, including all licences subsequently transferred to an undertaking of another Member State.

2. Member States shall keep records of the exports of the products covered by this Regulation. The products shall be deemed to be exported on the date of acceptance, by the customs office of the Member State of export, of the export declaration or of the document provided for in Article 18 of Council Directive 81/177/EEC of 24 February 1981 on the harmonization of procedures for the export of Community goods<sup>(1)</sup>.

3. The extent to which a Member State has used up its allocation shall be determined on the basis of licences issued in accordance with Article 4.

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(1) OJ No L 83, 30.03.1981, p. 40

#### Article 6

1. Exports to the United States of products which are to be re-exported from the United States in the same form or without having been subject to substantial transformations shall be charged against the allocation of the Member State where the licence was issued. Upon production to the authorities of such Member State of proof of such re-exportation from the United States, the allocation of that Member State for the period within which such proof is presented shall be increased by the same amount.

2. The Commission may lay down detailed rules for the implementation of this Article.

#### Article 7

Cooperation between the Commission and the Member States for the application of this Regulation shall be subject to Article 11 of Regulation (EEC) No 1023/70.

#### Article 8

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

The President



Annex I - List of Products

<u>PRODUCT</u>	<u>HTS</u>	<u>Combined Nomenclature</u>	
<u>Other Pipe &amp; Tube</u>	7304.10(1)	7304.10(1)	
	7304.31(1)	7304.31(1)	
	7304.39(1)	7304.39(1)	
	7304.41(1)	7304.41(1)	
	7304.49(1)	7304.49(1)	
	7304.51(1)	7304.51(1)	
	7304.59(1)	7304.59(1)	
	7304.90(1)	7304.90(1)	
	7305.11	7305.11.00	
	7305.12	7305.12.00	
	7305.19	7305.19.00	
	7305.31.40(1)	7305.31.00(1)(2)	
	7305.31.60(1)	7305.39.00(1)	
	7305.39(1)	7305.90.00	
	7305.90(1)	7306.10	
	7306.10	7306.30(1)(2)	
	7306.30.10(1)	7306.40(1)	
	7306.30.50(1)	7306.50(1)(2)	
	7306.40(1)	7306.60(1)	
	7306.50.10(1)	7306.90.00(1)	
	7306.50.50(1)	8547.90.00(3)	
	7306.60(1)		
	7306.90(1)		
	8547.90.0020		
	<u>OCTG</u>	7304.20	7304.20
		7305.20	7305.20
		7306.20	7306.20.00

The subheadings and item numbers referred to above are subject to revision when the EC or the US adopt modifications to their respective import nomenclatures. When such modifications are adopted, prior notification shall be given to the other party.

- (1) Excluded if drill pipe of a kind used in drilling for earth, minerals or ores.
- (2) Excluded if tapered pipes and tubes principally used as parts of illuminating articles.
- (3) Covered if conduit tubing



## ANNEX II

### United States customs territory and United States foreign trade zones

The United States customs territory shall comprise the States, the district of Columbia and Puerto Rico.

A United States foreign zone shall be defined as follows :

It is an isolated, enclosed and policed area, operated as a public utility, in or adjacent to a port of entry, furnished with facilities for lading, unloading, handling, storing, manipulating, manufacturing and exhibiting goods and for reshipping them by land, water or air. Any foreign and domestic merchandise, except such as is prohibited by laws or such as the Board may order to be excluded as detrimental to the public interest, health or safety, may be brought into a zone without being subject to the customs laws of the United States governing the entry of goods or the payment of duty thereon; and such merchandise permitted in a zone may be stored, exhibited, manufactured, mixed or manipulated in any manner, except as provided in the act and other applicable laws or regulations. The merchandise may be exported, destroyed or sent into customs territory from the zone, in the original package or otherwise. It is subject to customs duties if sent into customs territory, but not if reshipped to foreign points.

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## ANNEX III

## Allocation among Member States

	Member States	Proportion of Community Limits
PIPES AND TUBES	Germany	33.57%
	France	11.07%
	Italy	23.81%
	Netherlands	3.33%
	Belgium	5.72%
	Luxembourg	2.03%
	United Kingdom	4.76%
	Greece	6.19%
	Denmark	-
	Ireland	-
	Spain	9.52%
Portugal	-	
OCTG	Germany	38.76%
	France	4.69%
	Italy	28.76%
	Netherlands	0.18%
	Belgium	4.42%
	Luxembourg	0.09%
	United Kingdom	4.87%
	Greece	6.73%
	Denmark	-
	Ireland	-
	Spain	11.50%
Portugal	-	

October 27, 1989

## ARRANGEMENT

Between the European Coal and Steel Community and the  
European Economic Community, and the  
Government of the United States of America  
Concerning Trade in Certain Steel Products

Recognizing the policy of the Government of the United States of America (the "US") and its Steel Trade Liberalization Program and also that of the European Coal and Steel Community and the European Economic Community (collectively the "EC") for its steel industry and its achievements in phasing out state aids;

Recognizing the aim of the US and EC to liberalize global trade in steel;

Recognizing the policies of the US and EC that the adjustment and modernization of their steel industries should maximize reliance on market forces; and

Recognizing that an objective of this Arrangement is to contribute to the orderly transition to open markets and to restore fair and open steel trade;

The EC and the US have agreed:

1. Basis of the Arrangement



- (a) To pursue vigorously multilateral agreement in the Uruguay Round of Multilateral Trade Negotiations to eliminate trade distorting practices in, and to ensure open markets for, steel trade.
- (b) That the EC will restrain exports to, or destined for consumption in, the United States of America (the "USA") of products originating in the EC which are described in Article 3 (a) (the "Arrangement products") through March 31, 1992, as the final phase of such restraints on such exports.

2. Conditions: Actions Under US Law

If, during the period in which this Arrangement is in effect, any investigations under the US antidumping or countervailing duty statutes, Section 201 of the Trade Act of 1974, Section 301 of the Trade Act of 1974 (other than Section 301 petitions relating to third country sales by United States exporters), Section 232 of the Trade Expansion Act of 1962, or Section 337 of the Tariff Act of 1930<sup>1)</sup> are initiated or litigation (including anti-trust litigation), is instituted with respect to Arrangement products, then the EC shall be entitled to terminate the Arrangement with respect to the Arrangement product which is the subject of

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1) With respect to any Section 337 investigations, the parties shall consult to determine the basis for the investigation.

the investigation or litigation, after consultation with the US, at the earliest 15 days after such consultation. In addition, if during these consultations it is determined that the investigation or litigation threatens to impair the attainment of the objectives of this Arrangement, then the EC shall be entitled to terminate the Arrangement, with respect to some or all of the Arrangement products at the earliest 15 days after such consultations.

These consultations will take into account the nature of the investigation or litigation, the identity of the petitioner or litigant, the amount of trade involved, the scope of relief sought and other relevant factors.

### 3. Product Description

(a) The Arrangement products are:

- Semi-Finished Products
- Plate
- Hot Rolled Sheet & Strip
- Cold Rolled Sheet
- Black Plate
- Cold Rolled Strip
- Electrical Sheet & Strip
- Stainless Plate
- Stainless Sheet & Strip
- Tin Plate
- Tin-Free Steel
- Other Coated Flat-Rolled Products
- Rebar
- Hot Finished Bar
- Cold Finished Bar
- Stainless Bar
- Carbon Wire Rod
- Stainless Wire Rod
- Alloy Wire Rod
- Bar Shapes Under 80mm
- Structurals
- Sheet Piling
- Fabricated Structurals
- Stainless Wire
- Wire Strand
- Wire Rope
- Carbon & Alloy Wire
- Wire Products
- Rails
- Rail Products
- Alloy Tool Steel
- Other Speciality Steel

as described and classified in Appendix A by reference to the corresponding Harmonized Tariff Schedule of the United States (HTS) subheadings and Combined Nomenclature (CN) item numbers.

- (b) The subheadings and item numbers referred to in paragraph (a) above are subject to revision when the EC or the US adopts modifications to their respective import nomenclatures. When such modifications are adopted, prior notification shall be given to the other party.

4. Export ceilings

(a)

- (1) For the period October 1, 1989 through December 31, 1990 (the "Initial Period"), for calendar year 1991, and for the period January 1, 1992 through March 31, 1992 (the "End Period"), export licenses and certificates shall be issued to the EC exporters for products within the scope of each of the following product categories (the "categories") and sub-categories (the "sub-categories") in quantities no greater than the (a) percentages of projected United States apparent consumption, or (b) number of tons, indicated below for each category or sub-category for the relevant period.

(ii) Notwithstanding subparagraph (i), products exported from the EC on or after October 1, 1989 and prior to the day following the publication date in the Official Journal of the European Communities of the decisions and regulations referred to in Article 6(a) (hereinafter called the "Interim Period") shall be admitted into the USA without an export license and certificate. This tonnage will be counted towards the restraint level for each Arrangement category for the initial period.

Such tonnage shall be determined on the basis of U.S. import invoice data sorted by export date. Date of export for all such shipments under this Arrangement will be that established by the U.S. Customs Service. No later than March 1, 1990, the U.S. will notify the EC of the amount of tonnage exported on or after October 1, 1989 but without a certificate.

(iii) For the purposes of this Arrangement, the maximum quantities of products that may be exported from the EC to the USA under (i) above shall be the "export ceilings." "United States apparent consumption" shall equal shipments (deliveries) minus exports, plus imports, as described in Appendix C.

4.(a)(iii)

<u>Category/ Subcategory Number</u>	<u>Category/Subcategory Name</u>	<u>Export Ceiling on an annual basis</u>
1 + 2	Semifinished Products	0.76%
of which		
2	Slabs	92% of category
3	Plate	7.13%
4	Hot-Rolled sheet & strip	7.29%
5	Cold-Rolled sheet	5.94%
6	Black Plate	12.84%
7	Cold-Rolled strip	5.34%
8	Electrical sheet and strip	4.98%
9	Stainless plate	5.89%
10	Stainless sheet and strip	5.94%
11	Tin Plate	2.96%
12	Tin-Free Steel	4.22%
13 + 14	Other Coated flat-rolled Products	4.51%
of which		
13	Electrogalvanised	25% of category
15	Rebar	0.09%
16	Hot-Finished Bar	3.09%
17	Cold-Finished Bar	6.63%
18	Stainless Bar	7.40%
19	Carbon Wire Rod	5.70%
20	Stainless Wire Rod	13.16%
21	Alloy Wire Rod	19.68%

22	Bar Shapes Under 80mm	2.48%
23	Structurals	14.15%
24	Sheet Piling	23.70%
25	Fabricated Structurals	16,546 tonnes
26	Stainless Wire	15.34%
27	Wire Strand	49,800 tonnes
28	Wire Rope	9,800 tonnes
29	Carbon and Alloy Wire	182,600 tonnes
30	Wire Products	25,500 tonnes
31	Rails	9.26%
32	Rail Products	3,900 tonnes
33	Alloy Tool Steel	11.02%
34	Other Speciality Steel	12,100 tonnes

- (b) For purposes of this Arrangement, the USA shall comprise both the United States Customs Territory and United States Foreign Trade Zones. Therefore, entries of merchandise into the USA shall include admission of merchandise into a Foreign Trade Zone. In consequence, the entry into the United States Customs Territory of Arrangement products which have already entered into a Foreign Trade Zone shall not then again be taken into account as imports of those Arrangement products.
- (c) Where Arrangement products entered into the USA are subsequently re-exported therefrom, without having been subject to substantial transformation, the export ceilings for such products for the period corresponding to the time of such re-export shall be increased by the same amount.
- (d) Where Arrangement products entered into the USA are subsequently re-exported therefrom in the form of Arrangement products, or in the form of products covered by the Arrangement on Pipes and Tubes entered into in 1989, and the imported Arrangement products have been subject to double substantial transformation in the USA, as defined in Appendix D, the export ceilings for such imported

Arrangement products for the period corresponding to the time of such re-export shall be increased by the quantity of the re-exported doubly substantially transformed Arrangement products, up to a maximum of 500,000 metric tons. The US and the EC will hold consultations upon request with a view to appropriate amendments to Appendix D and adjustments to the aforementioned maximum tonnage.

- (e) The US may permit entry into the USA of such additional quantities of semi-finished steel products and under such conditions, as it deems appropriate. The US shall notify the EC of such quantities and conditions. The EC will issue special export licenses and certificates for any such additional quantities and such special certificates shall accompany imports of such products.

5. Calculation and Revision of United States Apparent Consumption Forecast and of Export Ceilings

- (a) The US, with the agreement of the EC, will select an independent forecaster which will provide the estimates of United States apparent consumption for the purposes of the Arrangement. A first projection of United States apparent consumption for the Initial Period for each category for which export ceilings are calculated as a percentage of U.S. apparent consumption will be established as early as possible, and in any event before November 1, 1989.



(b) The figures for projected 1990 United States apparent consumption will be revised in December of 1989 and February, May, August and October of 1990 by the independent forecaster, and appropriate adjustments will be made to the export ceilings for each category taking into account licenses already issued. Export ceilings calculated for the Initial Period based on the May, August and October 1990 forecasts will use actual October through December 1989 U.S. apparent consumption.

For 1991, a first projection of United States apparent consumption by category will be established by October of 1990. These figures will be revised in December 1990 and February, May, August and October of 1991.

(c) For the End Period, a first projection of United States apparent consumption by category will be established by October of 1991. These figures will be revised in December of 1991.

(d) By May 1 of 1991, adjustments to the 1991 export ceiling for each category will be made for differences between the forecasted U.S. apparent consumption and actual U.S. apparent consumption of that category in the Initial Period.

6. Export Licenses and Certificates

- (a) The EC will require export licenses and certificates for all Arrangement products, publishing appropriate decisions and regulations in the Official Journal of the European Communities. Such export licenses and certificates will continue to be issued in a manner that will avoid abnormal concentration in exports of Arrangement products to the USA, taking into account seasonal trade patterns. The EC shall take action, including the imposition of penalties, as may be necessary to make effective the obligations resulting from the export licenses and certificates. The EC will inform the US of any violations concerning the export licenses and certificates which come to its attention and the action taken with respect thereto.

The US will inform the EC of violations concerning the export licenses and certificates which come to its attention and the action taken with respect thereto.

Export licenses will provide that shipment must be made within a period of three months.

Export licenses will be issued against the export ceiling for the Initial period, 1991 or the End Period. Export licenses for 1991 or the End Period may be used as early as November 15 of the previous period within a limit of eight (8) percent of the export ceiling for 1991, or the End Period, respectively. Export licenses issued for the Initial Period and 1991, respectively, may not be used after December 31, 1990, and December 31, 1991, respectively, except that licenses not so used may be used during the first two months of the respective following period, up to a maximum of eight (8) percent of the export ceiling for the current period.

The EC and the US may increase the above percentage limits by mutual agreement.

- (b) The EC will require that the Arrangement products shall be accompanied by a certificate substantially in the form set out in Appendix B, endorsed in relation to a license indicating the day, month, and year in which the Arrangement products were exported, the category name and number, sub-category name and number if applicable, and tonnage exported. If any of this information is in a language other than English, the certificate must also contain an English language translation of this information.

The US shall require presentation of such certificates as a condition for entry into the USA of the Arrangement products. The US shall prohibit entry of such products not accompanied by such a certificate.

7. Technical Adjustments

- (a) Export ceilings for specific categories may be adjusted by the EC with notice to the US. Adjustments to increase the volume of one category must be offset by an equivalent volume reduction for another or other categories for the same period. Notwithstanding the preceding sentences, no adjustment may be made under this Article which results in an increase or a decrease in a specific category export ceiling by more than five (5) percent by volume of the unadjusted export ceiling for the relevant period. The EC and the US may agree to increase the above percentage limit.
  
- (b) Normally, only one change in a specific product export ceiling in the Initial Period, 1991 or the End Period may be made by an adjustment under the preceding paragraph or use of licenses in November-December or January-February under Article 6(a). Accordingly, changes in the Initial Period, 1991 or End Period export ceilings by use of more than one of these three provisions may be made only upon agreement between the EC and the US.

8. Short supply

- (a) If the US in consultation with the EC determines that, because of abnormal supply or demand factors, (including substantial objective evidence such as allocation, extended delivery periods, the willingness of domestic producers to supply the steel product at prices which are not aberrations from prevailing domestic market prices, or other relevant factors), the United States steel industry will be unable to meet demand in the USA for a particular product, an additional tonnage shall be allowed for such product by a special issue of licenses.
- (b) The US shall make a determination under this Article within 30 days through a transparent procedure on the basis of objective evidence from all relevant sources. Furthermore, a 15 day fast track procedure shall be used for requests submitted during periods during which capacity utilization is 90 percent or more. Under such fast track procedures there shall be a rebuttable presumption that short supply exists.
- (c) Each authorized special issue export license and certificates derived therefrom shall be so marked. Each such license must be used within 180 days after the date of the authorization of the special issuance unless the US agrees to extend that period.

- (d) Notwithstanding paragraphs (a), (b) and (c), short supply procedures shall be no less favorable than is provided for in legislation that may be enacted by the US.

9. Monitoring

- (a) The EC will, within one month of the end of each quarter, or upon request, supply the US with such non-confidential information on all export licenses and certificates issued for Arrangement products as is required for the proper functioning of this Arrangement. This information will include at a minimum each license number, certificate number, quantity, date of export, category number and sub-category number.
- (b) The US will collect and transmit quarterly, or upon request, to the EC all non-confidential information relating to certificates received during the preceding quarter in respect of the Arrangement products. The US will also collect and transmit non-confidential information relating to actions taken in respect of the Arrangement products for violations of United States Customs Law.

10. Consultations

Consultations shall take place between the EC and the US on any matter arising out of the operation of this Arrangement.

Consultations will also be held if there are indications that imports from third countries are replacing imports from the EC.

If imports from the EC of a product show a significant increase indicating the possibility of diversion of trade from carbon to alloy, into small diameter wire, or into stainless steel sheet over 1370 mm wide, within the same Arrangement product, consultations will be held promptly upon request between the US and the EC with the objective of working out a mutually satisfactory solution and reaching agreement on preventing such diversion.

Should these consultations demonstrate that there has indeed been a diversion of trade which is such as to impair the attainment of the objectives of this Arrangement, then within 60 days of the request for consultations, both sides shall take the necessary measures for the product(s) concerned in order to prevent such diversion.

11. Application

This Arrangement shall apply to the USA and to the territories to which the treaties establishing the European Coal and Steel Community and the European Economic Community are applied on the conditions laid down in those treaties.

12. Notices

For all purposes hereunder, the US and the EC shall be represented by and all communications and notices shall be given and addressed to:

For the EC:

The Commission of the European Communities  
Directorates-General for External Relations (I) and for  
Internal Market and Industrial Affairs (III)  
Rue de la Loi, 200  
B-1049 Brussels

For the Government of the United States of America:

Office of the United States Trade Representative  
Assistant United States Trade Representative for Industry  
Washington, D.C. 20506

United States Department of Commerce  
Assistant Secretary for Import Administration  
International Trade Administration  
Washington, D.C. 20230



ANNEX A

Product Category

Apparent Consumption  
Forecast Category (ies)

Semi-finished Products

Total Basic Steel Mill  
Products  
(all covered arrangement  
products, minus Fabricated  
Structurals, Wire Strand, and  
Wire Rope, plus all products  
covered in the U.S.-EC Pipe  
and Tube arrangement)

Plate  
Hot Rolled Sheet and Strip  
Cold Rolled Sheet  
Black Plate  
Cold Rolled Strip  
Electrical Sheet and Strip  
Stainless Plate  
Stainless Sheet and Strip  
Tinplate  
Tin Free Steel  
Other Coated Flat Rolled Products  
  
Rebar  
Hot Finished Bar  
  
Cold Finished Bar  
  
Stainless Bar  
Carbon Wire Rod  
Stainless Wire Rod  
Alloy Wire Rod  
Bar Shapes Under 80mm  
Structurals  
Sheet Piling  
Stainless Wire  
Rails  
Alloy Tool Steel

Plate  
Hot Rolled Sheet and Strip  
Cold Rolled Sheet  
Black Plate  
Cold Rolled Strip  
Electrical Sheet and Strip  
Stainless Plate  
Stainless Sheet and Strip  
Tinplate  
Tin Free Steel  
Electrogalvanized; and Other  
Coated Flat Rolled Products  
Rebar  
Carbon Hot Finished Bar; and 35  
percent of Alloy Bar  
Carbon Cold Finished Bar; and  
65 percent of Alloy Bar  
Stainless Bar  
Carbon Wire Rod  
Stainless Wire Rod  
Alloy Wire Rod  
Bar Shapes Under 80mm  
94.48 percent of Structurals  
5.52 percent of Structurals  
Stainless Wire  
Rails  
Alloy Tool Steel

APPENDIX A  
IMPORTS BY CATEGORY

<u>PRODUCT</u>	<u>HTS(*)</u>	<u>Combined Nomenclature</u>
Blooms and Billets	7207.11	7207.11
	7207.12.0010	7207.12.11(41)
	7207.19(40)	7207.12.19(41)
	7207.20.0025	7207.12.90(41)
	7207.20.0075(40)	7207.19(40)
	7207.20.0090(40)	7207.20.11
	7218.90.0010	7207.20.15
	7218.90.0020	7207.20.17
	7218.90.0045(40)	7207.20.19
	7218.90.0055(40)	7207.20.31(41)
	7218.90.0070(40)	7207.20.33(41)
	7218.90.0080(40)	7207.20.39(41)
	7224.90.0010	7207.20.51
	7224.90.0030(40)	7207.20.55
	7224.90.0040	7207.20.57
	7224.90.0060(40)	7207.20.59(40)
	7224.90.0070(40)	7207.20.71
		7207.20.79(40)
		7207.20.90(40)
		7218.90.11(42)
		7218.90.13(42)
		7218.90.15(41)(42)
		7218.90.19(41)(42)
		7218.90.30(41)(42)
		7218.90.50(42)
		7218.90.91(40)(42)
	7218.90.99(40)(42)	
	7224.90.11(41)	
	7224.90.19(41)	
	7224.90.30	
	7224.90.91(40)	
	7224.90.99(40)	
Other Semi-Finished (including slabs)	7206.10	7206.10.00
	7207.12.0050	7207.12.11(43)
	7207.20.0045	7207.12.19(43)
	7218.10 (17)	7207.12.90(43)
	7218.90.0035	7207.20.31(43)
	7224.10 (17)	7207.20.33(43)
	7224.90.0020	7207.20.39(43)
	7224.90.0050	7218.10.00(17)
		7218.90.15(43)
		7218.90.19(43)
		7218.90.30(43)
		7224.10.00(17)
	7224.90.11(43)	
	7224.90.19(43)	

(\*) The subheadings and item numbers referred to above are subject to revision when the EC or the US adopt modifications to their respective import nomenclatures. When such modifications are adopted, prior notification shall be given to the other party. HTS represents the Harmonized Tariff Schedule of the United States.

## Appendix A/20

<u>PRODUCT</u>	<u>HTS(*)</u>	<u>Combined Nomenclature</u>
Plate	7208.31	7208.31.00
	7208.32	7208.32
	7208.33.50	7208.33(44)
	7208.41	7208.41.00
	7208.42	7208.42
	7208.43	7208.43
	7210.90.10(5)(6)	7210.90.31(5)
	7211.11	7211.11.00
	7211.12	7211.12
	7211.21	7211.21.00
	7211.22.0045	7211.22.10(45)
	7212.60(6)	7211.22.90(45)
	7225.30.30	7212.60(6)
	7225.40.30	7225.30.00(46)(47)
	7225.50.60	7225.40.10(47)
	7226.91.50	7225.40.30(47)
		7225.40.50(47)
		7225.50.00(46)(47)
		7226.91.00(46)(47)
	Hot Rolled Sheet & Strip	7208.11
7208.12		7208.12
7208.13		7208.13
7208.14		7208.14
7208.21.50		7208.21.10(44)
7208.22.50		7208.21.90(44)
7208.23		7208.22.10(44)
7208.24		7208.22.91(44)
7208.34		7208.22.99(44)
7208.35		7208.23
7208.44		7208.24
7208.45		7208.34
7208.90(5)(6)		7208.35
7211.19(3)		7208.44
7211.22.0090		7208.45
7211.29(3)		7208.90(5)(6)
7225.30.70(3)		7211.19(3)
7225.40.70(3)		7211.22(48)
7226.91.70(3)		7211.29(3)
7226.91.80(3)		7225.30.00(3)(47)(49)
	7225.40.70(3)(47)	
	7225.40.90(3)(47)	
	7226.91.00(3)(47)(49)	

## Appendix A/21

<u>PRODUCT</u>	<u>HTS(*)</u>	<u>Combined Nomenclature</u>
Cold Rolled Sheet	7208.21.10	7208.21.10(50)
	7208.22.10	7208.21.90(50)
	7208.33.10	7208.22.10(50)
	7209.11	7208.22.91(50)
	7209.12	7208.22.99(50)
	7209.13	7208.33.10(50)
	7209.14	7208.33.91(50)
	7209.21	7208.33.99(50)
	7209.22	7209.11.00
	7209.23	7209.12
	7209.24.50	7209.13
	7209.31	7209.14
	7209.32	7209.21.00
	7209.33	7209.22
	7209.34	7209.23
	7209.41	7209.24.10(51)
	7209.42	7209.24.91(51)
	7209.43	7209.31.00
	7209.44	7209.32
	7209.90(5)(6)	7209.33
	7210.70.30(5)(6)	7209.34
	7211.30.50	7209.41.00
	7211.41.70	7209.42
	7211.49.50	7209.43
	7225.50.80(3)	7209.44
	7225.90(3)(5)(6)	7209.90(5)(6)
	7226.92.50(3)	7210.70.19(5)(52)
		7210.70.90(5)(6)(52)
		7211.30(53)
		7211.41(53)
		7211.49(53)
		7225.50.00(3)(47)(49)(54)
		7225.90(3)(5)(6)
	7226.92(3)(47)(53)	
Blackplate	7209.24.10	7209.24(55)
Cold Rolled Strip	7211.30.10(3)(16)	7211.30.31(3)(16)(56)
	7211.30.30(3)(16)	7211.30.39(3)(16)(56)
	7211.41.10(3)(16)	7211.30.50(3)(16)(56)
	7211.41.30(3)(16)	7211.30.90(3)(16)(56)
	7211.41.50(3)(16)	7211.41.91(3)(16)(56)
	7211.49.10(3)(16)	7211.41.95(3)(16)(56)
	7211.49.30(3)(16)	7211.41.99(3)(16)(56)
	7211.90(3)(6)(16)	7211.49.91(3)(16)(56)
	7212.30.10(6)(16)	7211.49.99(3)(16)(56)
	7212.30.30(6)(16)	7211.90(3)(6)(16)
	7212.40.10(6)(16)	7212.30.90(6)(16)(56)
	7226.92.70(3)(16)	7212.40.10(6)(16)(56)
	7226.92.80(3)(16)	7212.40.99(6)(16)(56)
	7226.99(3)(6)(16)	7226.92.90(3)(16)(47)(56)
		7226.99(3)(6)(16)

## Appendix A/22

<u>PRODUCT</u>	<u>HTS(*)</u>	<u>Combined Nomenclature</u>
Electrical Sheet and Strip	7225.10(5)(6) 7226.10(6)	7225.10(5)(6) 7226.10(6)
Stainless Plate	7219.11(19)(20) 7219.12(19)(20) 7219.21(19)(20) 7219.22(19)(20) 7219.31(19)(20) 7220.11(19)(20)	7219.11(19)(20) 7219.12(19)(20) 7219.21(19)(20) 7219.22(19)(20) 7219.31(19)(20) 7220.11.00(19)(20)
Stainless Sheet & Strip	7219.13(19)(20)(21) 7219.14(19)(20)(21) 7219.23(19)(20)(21) 7219.24(19)(20)(21) 7219.32(19)(20)(21) 7219.33(19)(20)(21) 7219.34(19)(20)(21) 7219.35(19)(20)(21) 7219.90(5)(6)(19)(20)(21) 7220.12(2)(19)(20)(22) 7220.20.10(19)(20)(22) 7220.20.60(19)(20)(22) 7220.20.70(19)(20)(22) 7220.20.90(19)(20)(22) 7220.90(2)(6)(19)(20)(22)	7219.13(19)(20)(21) 7219.14(19)(20)(21) 7219.23(19)(20)(21) 7219.24(19)(20)(21) 7219.32(19)(20)(21) 7219.33(19)(20)(21) 7219.34(19)(20)(21) 7219.35(19)(20)(21) 7219.90(5)(6)(19)(20)(21) 7220.12.00(2)(19)(20)(22) 7220.20(2)(19)(20)(22) 7220.90(2)(6)(19)(20)(22)
Tinplate	7210.11(5)(6) 7210.12(5)(6) 7212.10(6)	7210.11(5)(6) 7210.12(5)(6) 7212.10(6)
Tin Free Steel	7210.50 (6) 7210.90.60 (6)	7210.50 (6) 7210.90.35(57) 7210.90.39(57) 7210.90.90(6)(57)
Electrogalvanized	7210.31(5)(6) 7210.39(5)(6) 7212.21(6) 7212.29(6)	7210.31(5)(6) 7210.39(5)(6) 7212.21(6) 7212.29(6)

<u>PRODUCT</u>	<u>HTS(*)</u>	<u>Combined Nomenclature</u>
Other Coated Flat- Rolled Products	7210.20(5)(6)	7210.20(5)(6)
	7210.41(5)(6)	7210.41(5)(6)
	7210.49(5)(6)	7210.49(5)(6)
	7210.60(6)(24)	7210.60(6)(24)
	7210.70.60(5)(6)	7210.70(5)(6)(58)
	7210.90.90(5)(6)(81)	7210.90.10(5)(6)(81)
	7212.30.50(6)	7210.90.33(5)(6)
	7212.40.50(6)	7210.90.35(5)(6)(59)
	7212.50(6)(81)	7210.90.39(5)(6)(59)
		7210.90.90(5)(6)(59)
		7212.30(6)(53)
		7212.40(6)(53)
		7212.50.10(6)(81)
		7212.50.31(6)
		7212.50.39(6)
		7212.50.51(6)
		7212.50.59(6)
		7212.50.71(6)
		7212.50.73(6)
		7212.50.75(6)
	7212.50.91(6)	
	7212.50.93(6)	
	7212.50.97(6)	
	7212.50.99(6)	
Rebar	7214.20	7214.20.00
Hot-finished Bar	7213.39.0060	7213.39.00(60)
	7213.39.0090	7213.49.00(60)
	7213.49.0060	7213.50.00(60)
	7213.49.0090	7214.10.00
	7213.50.0060	7214.30.00
	7213.50.0080	7214.40
	7214.10	7214.50
	7214.30	7214.60.00
	7214.40	7228.20.11
	7214.50	7228.20.19
	7214.60	7228.20.30
	7228.20.10(6)	7228.20.50
	7228.30.80	7228.20.90(61)
	7228.40	7228.30.10(47)
	7228.60.60(6)	7228.30.90(47)
		7228.40.00
	7228.60.10(47)	
	7228.60.90(47)(61)	
Cold-finished Bar	7215.10	7215.10.00
	7215.20	7215.20.00
	7215.30	7215.30.00
	7215.40	7215.40.00
	7215.90(6)	7215.90(6)
	7228.20.50(6)	7228.20.70
	7228.50.50	7228.20.90(6)(62)
	7228.60.80(6)	7228.50.00(47)
	7228.80	7228.60.90(6)(47)(62)
	7228.80	

## Appendix A/24

<u>PRODUCT</u>	<u>HTS</u> <sup>(*)</sup>	<u>Combined Nomenclature</u>
Stainless Bar	7218.90.0030	7218.90.11 <sup>(63)</sup>
	7218.90.0065	7218.90.13 <sup>(63)</sup>
	7218.90.0090	7218.90.15 <sup>(41)(63)</sup>
	7221.00.0060	7218.90.19 <sup>(41)(63)</sup>
	7221.00.0080	7218.90.30 <sup>(41)(63)</sup>
	7222.10	7218.90.50 <sup>(63)</sup>
	7222.20	7218.90.91 <sup>(63)</sup>
	7222.30 <sup>(6)</sup>	7218.90.99 <sup>(63)</sup>
		7221.00.10 <sup>(60)</sup>
		7221.00.90 <sup>(60)</sup>
		7222.10
		7222.20
		7222.30 <sup>(6)</sup>
Carbon Wire Rod	7213.10	7213.10.00
	7213.20	7213.20.00
	7213.31	7213.31.00
	7213.39.0030	7213.39.00 <sup>(64)</sup>
	7213.41	7213.41.00
	7213.49.0030	7213.49.00 <sup>(64)</sup>
	7213.50.0020	7213.50.00 <sup>(65)</sup>
7213.50.0040		
Stainless Wire Rod	7221.00.0020	7221.00.10 <sup>(65)</sup>
	7221.00.0040	7221.00.90 <sup>(65)</sup>
Alloy Wire Rod	7227.20	7227.20.00
	7227.90.60	7227.90.10
		7227.90.90 <sup>(47)</sup>
Bar Shapes Less Than 80mm	7216.10	7216.10.00
	7216.21	7216.21.00
	7216.22	7216.22.00
Structurals	7216.31	7216.31.00
	7216.32	7216.32.00
	7216.33	7216.33.00
	7216.40	7216.40
	7216.50	7216.50
	7216.60	7216.60
	7222.40.30	7222.40.11
	7228.70.30	7222.40.19
		7222.40.30
		7228.70.10
		7228.70.31

## Appendix A/25

<u>PRODUCT</u>	<u>HTS</u> <sup>(*)</sup>	<u>Combined Nomenclature</u>
Sheet Piling	7301.10	7301.10.00
Fabricated Structural	7216.90	7216.90
	7222.40.60	7222.40.91
	7228.70.60	7222.40.93
	7301.20	7222.40.99
	7308.10	7228.70.91
	7308.20	7228.70.99
	7308.30 <sup>(15)</sup>	7301.20.00
	7308.40	7308.10.00
	7308.90.30 <sup>(12)</sup>	7308.20.00
	7308.90.60 <sup>(13)</sup>	7308.30.00 <sup>(15)</sup>
	7308.90.90 <sup>(9)(14)</sup>	7308.40.00
		7308.90 <sup>(9)(14)(67)</sup>
Stainless Wire	7223.00.10	7223.00.10 <sup>(68)</sup>
	7223.00.50 <sup>(2)(6)</sup>	7223.00.90 <sup>(68)</sup>
Wire Strand	7312.10.10 <sup>(4)</sup>	7312.10.30 <sup>(4)(69)(71)</sup>
	7312.10.3015 <sup>(4)</sup>	7312.10.50 <sup>(4)(69)(70)(71)</sup>
	7312.10.3065 <sup>(4)</sup>	7312.10.71 <sup>(4)(69)(70)</sup>
	7312.10.3075 <sup>(4)</sup>	7312.10.75 <sup>(4)(69)(70)</sup>
	7312.10.3090 <sup>(4)</sup>	7312.10.79 <sup>(4)(69)(70)</sup>
Wire Rope	7312.10.60 <sup>(4)</sup>	7312.10.30 <sup>(4)(69)(72)</sup>
	7312.10.90 <sup>(4)</sup>	7312.10.50 <sup>(4)(69)(72)(73)</sup>
		7312.10.91 <sup>(4)(69)</sup>
		7312.10.95 <sup>(4)(69)</sup>
		7312.10.99 <sup>(4)(69)(73)</sup>
Other Wire	7217.11	7217.11
	7217.12	7217.12
	7217.13	7217.13
	7217.19	7217.19
	7217.21	7217.21.00
	7217.22	7217.22.00
	7217.23	7217.23.00
	7217.29	7217.29.00
	7217.31 <sup>(3)</sup>	7217.31.00 <sup>(3)</sup>
	7217.32	7217.32.00
	7217.33	7217.33.00
	7217.39 <sup>(3)</sup>	7217.39.00 <sup>(3)</sup>
	7223.00.90	7223.00.10 <sup>(74)</sup>
	7229.20	7223.00.90 <sup>(74)</sup>
	7229.90	7229.20.00
		7229.90.00



<u>PRODUCT</u>	<u>HTS</u> <sup>(*)</sup>	<u>Combined Nomenclature</u>
Wire Products	7313.00 <sup>(11)</sup>	7313.00.00 <sup>(11)</sup>
	7314.41 <sup>(8)</sup>	7314.41 <sup>(8)</sup>
	7314.42 <sup>(8)</sup>	7314.42 <sup>(8)</sup>
	7314.49 <sup>(8)</sup>	7314.49.00 <sup>(8)</sup>
	7317.00.55 <sup>(7)</sup>	7317.00 <sup>(7)</sup> <sup>(75)</sup>
	7317.00.65 <sup>(7)</sup>	
	7317.00.75 <sup>(7)</sup>	
Rails	7302.10 <sup>(10)</sup>	7302.10 <sup>(10)</sup>
Rail Products	7302.20 <sup>(18)</sup>	7302.20.00 <sup>(18)</sup>
	7302.40 <sup>(18)</sup>	7302.40.10
	7302.90 <sup>(23)</sup>	7302.90.30 <sup>(23)</sup>
	8607.19.10	7302.90.90 <sup>(23)</sup>
	8607.19.20	8607.19.11
		8607.19.19
Alloy Tool Steel	7225.20 <sup>(5)(6)</sup>	7225.20 <sup>(5)(6)</sup>
	7225.30.10	7225.30.00 <sup>(76)</sup>
	7225.30.5060	7225.40 <sup>(77)</sup>
	7225.40.1090	7225.50.00 <sup>(77)</sup>
	7225.40.5060	7226.20 <sup>(6)</sup>
	7225.50.1060	7226.91.00 <sup>(77)</sup>
	7226.20 <sup>(6)</sup>	7226.92 <sup>(77)</sup>
	7226.91.1060	7227.10.00
	7226.91.3060	7227.90.90 <sup>(77)</sup>
	7226.92.1060	7228.10 <sup>(6)</sup>
	7226.92.3060	7228.30 <sup>(77)</sup>
	7227.10	7228.50.00 <sup>(77)</sup>
	7227.90.1060	7228.60 <sup>(6)(77)</sup>
	7227.90.2060	7229.10.00
	7228.10 <sup>(6)</sup>	
	7228.30.40	
	7228.30.60	
	7228.50.1020	
	7228.50.1040	
	7228.50.1060	
7228.50.1080		
7228.60.1060 <sup>(6)</sup>		
7229.10		
Other Speciality Steel	7225.30.5030	7225.30.00 <sup>(78)</sup>
	7225.40.1015	7225.40 <sup>(78)</sup>
	7225.40.5030	7225.50.00 <sup>(79)(80)</sup>
	7225.50.1030	7226.91.00 <sup>(79)</sup>
	7225.50.70	7226.92 <sup>(78)</sup>
	7226.91.1030	7226.92 <sup>(79)</sup>
	7226.91.3030	7227.90.90 <sup>(79)</sup>
	7226.92.1030	7228.30 <sup>(78)</sup>
	7226.92.3030	7228.50.00 <sup>(79)</sup>
	7227.90.1030	7228.60 <sup>(6)(79)</sup>
	7227.90.2030	
	7228.30.20	
	7228.50.1010	
7228.60.1030 <sup>(6)</sup>		

## FOOTNOTES

- (2) Excluded if "razor blade steel," i.e., flat-rolled products of stainless steel not over 0,25mm in thickness and not over 23mm in width, containing by weight not over 14.7 percent of chromium, and certified at the time of entry to be used in the manufacture of razor blades.
- (3) Excluded if "carbon/alloy band saw steel" defined as follows:  
 (a) "metal cutting band saw steel" referring to steel flat-rolled products, not less than 0.61mm and not more than 0.91mm in thickness, not less than 6.30mm and not more than 50.80mm in width, in coils, containing:
- |             |  |
|-------------|--|
| carbon :    | not less than 1.18 percent and not more than 1.32 percent, |
| chromium :  | not less than 0.15 percent and not more than 0.32 percent, |
| manganese : | not less than 0.10 percent and not more than 0.40 percent, |

certified by the importer of record or the ultimate consignee for use in the manufacture of metal-cutting band saw blades; or  
 (b) "wood band saw steel" referring to (1) alloy steel flat-rolled products less than 4.75mm in thickness which contains, in addition to iron, each of the following elements by weight in the amount specified:

carbon :	not less than 0.70 nor more than 0.81 percent;
manganese :	not less than 0.30 nor more than 0.55 percent;
silicon :	not less than 0.20 nor more than 0.35 percent;
nickel :	not less than 1.60 nor more than 2.70 percent;
chromium :	none, or not more than 0.50 percent;
phosphorus :	none, or not more than 0.03 percent; and
sulfur :	none, or not more than 0.15 percent;

or (2) cold-rolled flat-rolled products less than 4.75mm in thickness, less than 300mm in width, which contains, in addition to iron, each of the following elements by weight in the amount specified:

carbon : not less than 0.70 nor more than 0.81 percent;  
manganese : not less than 0.30 nor more than 0.50 percent;  
silicon : not less than 0.20 nor more than 0.35 percent;  
chromium : none, or not more than 0.50 percent; and  
phosphorus : none, or not more than 0.03 percent; and  
sulfur : none, or not more than 0.15 percent,

certified by the importer of record or the ultimate consignee for use in the manufacture of wood band saws.

- (4) Excluded if covered with textile or other non-metallic material.
- (5) Excluded if cut, pressed or stamped to non-rectangular shape (including scroll cutting).
- (6) Covered if corrugated or subjected to surface treatments.
- (7) Excluded if corrugated fasteners, glaziers' points, hook nails, or ring nails.
- (8) Excluded if other than galvanized wire fencing wholly of round iron or steel wire measuring not over 5.08mm and not under 1.905mm in diameter, whether or not such wire is covered with plastics.
- (9) Excluded if fence or sign posts.
- (10) Excluded if current-conducting rail.
- (11) Excluded if twisted hoop or single flat wire, whether or not barbed.
- (12) Excluded if of cast iron.
- (13) Excluded if in part of stainless steel.

- (14) Excluded if plastic foam core insulating composite panels.
- (15) Excluded if door or window frames.
- (16) Excluded if bale ties.
- (17) Excluded if other primary forms, e.g., blocks, lumps, puddled bars and pilings.
- (18) Excluded if forged.
- (19) Excluded if cladding grade 434 stainless steel certified by the importer of record to be used in the manufacture of stainless steel clad aluminum automobile trim.
- (20) Excluded if grade 253MA or 254SMO stainless steel.
- (21) Excluded if stainless steel flat-rolled products less than 4.75mm in thickness and over 1,803.4mm in width.
- (22) Excluded if stainless steel flat-rolled products less than 4.75mm in thickness, less than 300mm in width, and certified by the importer of record or ultimate consignee to be used in the manufacture of stainless steel flapper valves for compressors.
- (23) Covered if either (A) hot-rolled and designed to connect the ends of adjacent rails in track (i.e., "joint bars"). These products are usually punched or slotted; or (B) hot-rolled and used to support rails in track, to maintain track gauge, and protect the ties (i.e., "tie plates"). These products are punched to provide holes for spikes and have one or two shoulder sections as rail guides.
- (24) Excluded if cut, pressed or stamped to non-rectangular shape and other than electrolytically coated or plated.

- (40) Excluded if pieces roughly shaped by forging.
- (41) Covered if of a width measuring less than four times the thickness.
- (42) Covered if of a cross-sectional area of 19.4 cm<sup>2</sup> or more.
- (43) Covered if of a width measuring at least four times the thickness.
- (44) Excluded if pickled.
- (45) Excluded if in coils.
- (46) Covered if of a thickness of 4.75mm or more.
- (47) Excluded if of tool steel as defined in Additional Note 1(e), (f) and (h) to Chapter 72 of the HTS.
- (48) Covered if in coils.
- (49) Covered if of a thickness of less than 4.75mm.
- (50) Covered if pickled.
- (51) Covered if of a thickness of 0.361mm or more.
- (52) Excluded if coated or plated with metal or clad.
- (53) Covered if of a width of 300mm or more.
- (54) Excluded if of heat resisting steel as defined in Additional Note 1(g) to Chapter 72 of the HTS.
- (55) Covered if of a thickness of less than 0.361mm.
- (56) Covered if of a width of less than 300 mm.
- (57) Covered if electrolytically coated or plated with base metal.
- (58) Covered if coated or plated with metal or clad.
- (59) Excluded if electrolytically coated or plated with base metal.
- (60) Covered if of circular cross-section and with a diameter of 19mm or more if of other than circular cross-section.
- (61) Excluded if cold formed.
- (62) Covered if cold formed.
- (63) Covered if of a cross sectional area of less than 19.4 cm<sup>2</sup>.

- (64) Covered if of circular cross-section and with a diameter of 14 mm or more but less than 19mm.
- (65) Covered if of circular cross-section and with either a diameter of less than 14 mm or with a diameter of 14 mm or more but less than 19mm.
- (66) Covered if hot rolled, not drilled, not punched and not otherwise advanced.
- (67) If columns, pillars, posts, beams, girders and similar structural units, excluded if in part of stainless steel or if of cast iron.
- (68) Excluded if other than round or flat wire. Also excluded if flat wire of razor blade steel (cf. footnote 2) or flat wire further worked after flat rolling (cf. footnote 6).
- (69) Excluded if fitted with fittings or made up into articles.
- (70) Excluded if tyre cord. If other than tyre cord and other than stranded wire for prestressing concrete, excluded if of brass plated wire.
- (71) Covered if stranded wire.
- (72) Excluded if stranded wire.
- (73) Excluded if of brass plated wire.
- (74) Excluded if round or flat wire.
- (75) Excluded if thumb tacks; or drive pins, studs or other fasteners, suitable for use in powder-activated hand tools; or staples in strip form; or furniture glides; or cut products made of other than round wire and of one piece construction.
- (76) If of a thickness of 4.75mm or more, covered if of tool steel as defined in Additional Note 1(e), (f) and (h) to Chapter 72 of the HTS. If of a thickness of less than 4.75mm, covered if of tool steel as defined in Additional Note 1(e) and (f) to Chapter 72 of the HTS.
- (77) Covered if of tool steel as defined in Additional Note 1(e) and (f) to Chapter 72 of the HTS.
- (78) Covered if of a thickness of less than 4.75mm and of ball-bearing steel as defined in Additional Note 1(h) to Chapter 72 of the HTS.
- (79) Covered if of ball-bearing steel as defined in Additional Note 1(h) to Chapter 72 of the HTS.
- (80) Covered if of a thickness of less than 4.75mm and of heat resisting steel as defined in Additional Note 1(g) to Chapter 72 of the HTS.
- (81) Excluded if silvered, gilded or platinum plated.

1 Exporter (full name and address)	<b>CERTIFICATE</b> FOR THE EXPORT OF IRON AND STEEL PRODUCTS TO THE UNITED STATES OF AMERICA  <b>No</b> <span style="float: right;"><b>ORIGINAL</b></span>	
2 Consignee (full name and address)	3 Export licence No / issued in	(Member State)
	4 Extract No / issued in of export licence No / issued in	(Member State)  (Member State)

**NOTES**

- A. This certificate must be completed on a typewriter and in English.
- B. This certificate and the export licence or the extract thereof to which it refers must be produced at the Customs office at which Customs formalities for export to the United States of America are completed.
- C. This certificate, duly endorsed by the Customs office shown in box no 7, must be produced to the competent authorities in the United States of America at the time of importation.

5 Marks and numbers - Number and kind of packages - Category and detailed description of iron and steel products	6 Quantity (metric tonnes)
--	----------------------------

**7 ENDORSEMENT BY THE COMPETENT CUSTOMS OFFICE IN THE EUROPEAN COMMUNITY**

The quantity (metric tonnes) of iron and steel products shown above has been attributed  to the export licence shown in box no 3  to the extract shown in box no 4. \*)

Customs export document: type: \_\_\_\_\_ Signature: \_\_\_\_\_ Stamp: \_\_\_\_\_

number: \_\_\_\_\_

date:

Customs office: \_\_\_\_\_

Member State: \_\_\_\_\_

\*) The appropriate box to be indicated like this

APPENDIX C  
CONCORDANCE OF U.S. SHIPMENTS, EXPORTS AND IMPORTS\*

	<u>TYPE**</u>	<u>SHIPMENTS (Category)</u>	<u>EXPORTS*** (Schedule B)</u>	<u>IMPORTS*** (HTS)</u>	
Plate	C	6A	7208.31	7208.31	
	C		7208.32	7208.32	
	C		7208.33	7208.33	
	C		7208.41	7208.41	
	C		7208.42	7208.42	
	C		7208.43	7208.43	
	C		7211.11	7211.11	
	C		7211.12	7211.12	
	C		7211.21	7211.21	
	C		7211.22	7211.22	
	A	6A	7225.40	7225.40	
	Hot Rolled Sheet and Strip	C	6B	7208.11	7208.11
		C	31	7208.12	7208.12
		C	36	7208.13	7208.13
C			7208.14	7208.14	
C			7208.21	7208.21	
C			7208.22	7208.22	
C			7208.23	7208.23	
C			7208.24	7208.24	
C			7208.34	7208.34	
C			7208.35	7208.35	
C			7208.44	7208.44	
C			7208.45	7208.45	
C			7208.90	7208.90	
C			7211.19	7211.19	
C			7211.29	7211.29	
A		6B	7225.30	7225.30	
A	31	7226.91	7226.91		
		36			

\* Includes only products for which the independent forecaster will forecast United States apparent consumption.

\*\*\* These numbers are subject to revision when the United States adopts modifications to the applicable import or export nomenclatures. Technical adjustments will be made as necessary.

\*\* C - Carbon  
S - Stainless  
A - Alloy  
F - Fabricated



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	<u>TYPE*</u>	<u>SHIPMENTS (Category)</u>	<u>EXPORTS** (Schedule B)</u>	<u>IMPORTS** (HTS)</u>	
Cold Rolled Sheet	C	32	7209.11	7209.11	
	C		7209.12	7209.12	
	C		7209.13	7209.13	
	C		7209.14	7209.14	
	C		7209.21	7209.21	
	C		7209.22	7209.22	
	C		7209.23	7209.23	
	C		7209.24	7209.24	
	C		7209.31	7209.31	
	C		7209.32	7209.32	
	C		7209.33	7209.33	
	C		7209.34	7209.34	
	C		7209.41	7209.41	
	C		7209.42	7209.42	
	C		7209.43	7209.43	
	C		7209.44	7209.44	
	A		A	32	7209.90
A		7225.20	7225.20		
A		7225.50	7225.50		
A			7225.90	7225.90	
Blackplate	C	28	N/A	7209.24.10	
Cold Rolled Strip	C	37	7211.30	7211.30	
	C		7211.41	7211.41	
	C		7211.49	7211.49	
	C		7211.90	7211.90	
	A		37	7226.20	7226.20
	A			7226.92	7226.92
	A			7226.99	7226.99
Electrical Sheet and Strip	A	35	7225.10	7225.10	
	A		7226.10	7226.10	
Stainless Plate	S	6A	7219.21	7219.21	
	S		7219.22	7219.22	
	S		7219.31	7219.31	
	S		7220.11	7220.11	

	<u>TYPE*</u>	<u>SHIPMENTS</u> <u>(Category)</u>	<u>EXPORTS**</u> <u>(Schedule B)</u>	<u>IMPORTS**</u> <u>(HTS)</u>
Stainless Sheet and Strip	S	31	7219.11	7219.11
	S	32	7219.12	7219.12
	S	36	7219.13	7219.13
	S	37	7219.14	7219.14
	S		7219.23	7219.23
	S		7219.24	7219.24
	S		7219.32	7219.32
	S		7219.33	7219.33
	S		7219.34	7219.34
	S		7219.35	7219.35
	S		7219.90	7219.90
	S		7220.12	7220.12
	S		7220.20	7220.20
S		7220.90	7220.90	
Tinplate	C	29	7210.11	7210.11
	C		7210.12	7210.12
	C		7212.10	7212.10
Tin-free Steel	C	29A	7210.50	7210.50
Electro- galvanized	C	33B	7210.31	7210.31
	C		7210.39	7210.39
	C		7212.21	7212.21
	C		7212.29	7212.29
Other Coated Flat-Rolled Products	C	33A	7210.20	7210.20
	C	34	7210.41	7210.41
	C		7210.49	7210.49
	C		7210.60	7210.60
	C		7210.70	7210.70
	C		7210.90	7210.90
	C		7212.30	7212.30
	C		7212.40	7212.40
	C		7212.50	7212.50
	C		7212.60	7212.60
Rebar	C	15	7213.10	7213.10
	C		7214.20	7214.20

## Appendix C/36

	<u>TYPE*</u>	<u>SHIPMENTS</u> (Category)	<u>EXPORTS**</u> (Schedule B)	<u>IMPORTS**</u> (HTS)
Carbon	C	14	7214.10	7214.10
Hot-finished	C		7214.30	7214.30
Bar	C		7214.40	7214.40
	C		7214.50	7214.50
	C		7214.60	7214.60
	C		7228.80	7228.80
Carbon	C	16	7215.10	7215.10
Cold-finished	C		7215.20	7215.20
Bar	C		7215.30	7215.30
	C		7215.40	7215.40
	C		7215.90	7215.90
Stainless Bar	S	14	7222.10	7222.10
	S	16	7222.20	7222.20
	S		7222.30	7222.30
Alloy Bar	A	14	7228.10	7228.10
	A	16	7228.20	7228.20
	A		7228.30	7228.30
	A		7228.40	7228.40
	A		7228.50	7228.50
	A		7228.60	7228.60
Carbon	C	3	7213.20	7213.20
Wire Rod	C		7213.31	7213.31
	C		7213.39	7213.39
	C		7213.41	7213.41
	C		7213.49	7213.49
	C		7213.50	7213.50
Stainless	S	3	7221.00	7221.00
Wire Rod				
Alloy	A	3	7227.10	7227.10
Wire Rod	A		7227.20	7227.20
	A		7227.90	7227.90

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	<u>TYPE*</u>	<u>SHIPMENTS (Category)</u>	<u>EXPORTS** (Schedule B)</u>	<u>IMPORTS** (HTS)</u>
Bar Shapes Under 80mm	C	14A	7216.10	7216.10
	C		7216.21	7216.21
	C		7216.22	7216.22
Structurals	C	4	7216.31	7216.31
	C	5	7216.32	7216.32
	C		7216.33	7216.33
	C		7216.40	7216.40
	C		7216.50	7216.50
	C		7216.60	7216.60
	C		7301.10	7301.10
	S	4	7222.40	7222.40
	A	4	7228.70	7228.70
	Stainless Wire	S	23	7223.00
Wire Rope 7312.10.50	F	Confidential	7312.10.2500	
	F	Report	7312.10.3015	7312.10.60
	F		7312.10.3500	7312.10.70
	F			7312.10.80
	F			7312.10.90

	<u>TYPE*</u>	<u>SHIPMENTS</u> <u>(Category)</u>	<u>EXPORTS**</u> <u>(Schedule B)</u>	<u>IMPORTS**</u> <u>(HTS)</u>
Other Wire and Wire Products	C	23	7217.11	7217.11
	C		7217.12	7217.12
	C		7217.13	7217.13
	C		7217.19	7217.19
	C		7217.21	7217.21
	C		7217.22	7217.22
	C		7217.23	7217.23
	C		7217.29	7217.29
	C		7217.31	7217.31
	C		7217.32	7217.32
	C		7217.33	7217.33
	C		7217.39	7217.39
	A		23	7229.10
	A	7229.20		7229.20
A	7229.90	7229.90		
F	7313.00	7313.00		
F	7314.11	7314.11		
F	7314.19	7314.19		
F	7314.20	7314.20		
F	7314.30	7314.30		
F	7314.41	7314.41		
F	7314.42	7314.42		
F	7314.49	7314.49		
F	7317.00	7317.00		
Rails	C	7	7302.10	7302.10
		8		
Rail Products	C	9	7302.20	7302.20
	C	10	7302.40	7302.40
	C		7302.90	7302.90
	C		8607.19.1000	8607.19.10
	C	8607.19.2000	8607.19.20	

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	<u>TYPE*</u>	<u>SHIPMENTS (Category)</u>	<u>EXPORTS** (Schedule B)</u>	<u>IMPORTS** (HTS)</u>
Alloy Tool	A	17		7225.20
Steel	A			7225.30.1000
	A			7225.30.5060
	A			7225.40.1090
	A			7225.40.5060
	A			7225.50.1060
	A			7226.20
	A			7226.91.1060
	A			7226.91.3060
	A			7226.92.1060
	A			7226.92.3060
	A			7227.10
	A			7227.90.1060
	A			7227.90.2060
	A			7228.10
	A			7228.30.40
	A			7228.30.60
	A			7228.50.1020
	A			7228.50.1040
	A			7228.50.1060
	A			7228.50.1080
	A			7228.60.1060
	A			7229.10

APPENDIX D

The following is a list of steelmaking processes which constitute double substantial transformation.

- Slab to cold-rolled sheet, galvanized or other metallic-coated sheet.
- Slab to pipe and tube.
- Billet to cold-finished bar.
- Hot-rolled sheet to cold-rolled and galvanized or other metallic-coated sheet.

October 27, 1989

**ARRANGEMENT**

**Between the European Economic Community and the  
Government of the United States of America  
Concerning Trade in Steel Pipes and Tubes**

Recognizing the policy of the Government of the United States of America (the "US") and its Steel Trade Liberalization Program and also that of the European Economic Community (the "EC") for its steel industry and its achievements in phasing out state aids;

Recognizing the aim of the US and EC to liberalize global trade in steel;

Recognizing the policies of the US and EC that the adjustment and modernization of their steel industries should maximize reliance on market forces; and

Recognizing that an objective of this Arrangement is to contribute to the orderly transition to open markets and to restore fair and open steel trade;

The EC and the US have agreed:

1. Basis of the Arrangement



- (a) To pursue vigorously multilateral agreement in the Uruguay Round of Multilateral Trade Negotiations to eliminate trade distorting practices in, and to ensure open markets for, steel trade; and
  
- (b) That the EC will restrain exports to, or destined for consumption in, the United States of America (the "USA") of products originating in the EC which are described in Article 3 (a) (the "Arrangement products") through March 31, 1992, as the final phase of such restraints on such exports.

2. Conditions: Actions Under US Law

If, during the period in which this Arrangement is in effect, any investigations under the US antidumping or countervailing duty statutes, Section 201 of the Trade Act of 1974, Section 301 of the Trade Act of 1974 (other than Section 301 petitions relating to third country sales by United States exporters), Section 232 of the Trade Expansion Act of 1962, or Section 337 of the Tariff Act of 1930<sup>1)</sup> are initiated or litigation (including anti-trust litigation) is instituted with respect to Arrangement products, then the EC shall be entitled to terminate the Arrangement with respect to the Arrangement product which

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1) With respect to any Section 337 investigations, the parties shall consult to determine the basis for the investigation.

is the subject of the investigation or litigation, after consultation with the US, at the earliest 15 days after such consultation. In addition, if during these consultations it is determined that the investigation or litigation threatens to impair the attainment of the objectives of this Arrangement, then the EC shall be entitled to terminate the Arrangement, with respect to some or all of the Arrangement products at the earliest 15 days after such consultations.

These consultations will take into account the nature of the investigation or litigation, the identity of the petitioner or litigant, the amount of trade involved, the scope of relief sought and other relevant factors.

3. Product Description and Export ceilings

- (a) The EC shall restrain exports to, or destined for consumption in, the USA of Arrangement products, as described in Appendix A, originating in the EC to a level of 8.82 percent of U.S. apparent consumption for the periods October 1, 1989 through December 31, 1990 (the Initial Period), 1991, and January 1, 1992 through March 31, 1992 (the End Period). During these periods, export licenses shall be required for the Arrangement products.

For the purposes of this Arrangement, the maximum quantities of products that may be exported from the EC to the USA under the preceding sentence shall be the "export ceilings." "United States apparent consumption" shall equal shipments (deliveries) minus exports, plus imports, as described in Appendix C.

- (b) Within the limit set in section 3(a), EC exports of oil country tubular goods as described in Appendix A, shall not exceed 9.00 percent of U.S. apparent consumption of oil country tubular goods.
  
- (c) Notwithstanding paragraphs (a) and (b), Arrangement products exported from the EC on or after October 1, 1989 and prior to the day after the publication day in the Official Journal of the European Communities of the regulations referred to in Article 5(a) (hereinafter called the "Interim Period") shall be admitted into the USA without an export license and certificate. This tonnage will be counted towards the export ceiling for each Arrangement product for the Initial period.

Such tonnage shall be determined on the basis of U.S. import invoice data sorted by export date. Date of export for all such shipments under this Arrangement will be that established by the U.S. Customs Service. No later than

March 1, 1990, the U.S. will notify the EC of the amount of tonnage exported on or after October 1, 1989 but without a certificate.

- (d) For purposes of this Arrangement, the USA shall comprise both the United States Customs Territory and United States Foreign Trade Zones. Therefore, entries of merchandise into the USA shall include admission of merchandise into a Foreign Trade Zone. In consequence, the entry into the United States Customs Territory of Arrangement products which have already entered into a Foreign Trade Zone shall not then again be taken into account as imports of those Arrangement products.
  
- (e) Where Arrangement products entered into the USA are subsequently re-exported therefrom, without having been subject to substantial transformation, the export ceilings for such products for the period corresponding to the time of such re-export shall be increased by the same amount.
  
- (f) Where the Arrangement products entered into the USA are subsequently re-exported therefrom in the form of Arrangement products, and the imported Arrangement products have been subject to double substantial transformation in the USA, as defined in Appendix D, the export ceilings for

such imported Arrangement products for the period corresponding to the time of such re-export shall be increased by the quantity of the re-exported doubly substantially transformed Arrangement products, up to a maximum of 100.000 metric tons. The US and the EC will hold consultations upon request with a view to appropriate amendments to Appendix D and adjustments to the aforementioned maximum tonnage.

4. Calculation and Revision of United States Apparent Consumption Forecast and of Export Ceilings

- (a) The US, with the agreement of the EC, will select an independent forecaster which will provide the estimates of United States apparent consumption for the purposes of the Arrangement. A first projection of United States apparent consumption for the Initial Period for each category for which export ceilings are calculated as a percentage of U.S. apparent consumption will be established as early as possible, and in any event before November 1, 1989.
  
- (b) The figures for projected 1990 United States apparent consumption will be revised in December of 1989 and February, May, August and October of 1990 by the independent forecaster, and appropriate adjustments will be made to the export ceilings for each category taking into account licenses already issued. Export ceilings

calculated for the Initial Period based on the May, August and October 1990 forecasts will use actual October through December 1989 U.S. apparent consumption.

For 1991, a first projection of United States apparent consumption by category will be established by October of 1990. These figures will be revised in December 1990 and February, May, August and October of 1991.

- (c) For the End Period, a first projection of United States apparent consumption by category will be established by October of 1991. These figures will be revised in December of 1991.
- (d) By May 1 of 1991, adjustments to the 1991 export ceiling for each category will be made for differences between the forecasted U.S. apparent consumption and actual U.S. apparent consumption of that category in the Initial Period.

5. Export Licenses and Certificates

- (a) The EC will require export licenses and certificates for all Arrangement products, publishing appropriate regulations in the Official Journal of the European Communities. Such export licenses and certificates will continue to be issued in a manner that will avoid abnormal

concentration in exports of Arrangement products to the USA, taking into account seasonal trade patterns. The EC shall take action, including the imposition of penalties, as may be necessary to make effective the obligations resulting from the export licenses and certificates. The EC will inform the US of any violations concerning the export licenses and certificates which come to its attention and the action taken with respect thereto.

The US will inform the EC of violations concerning the export licenses and certificates which come to its attention and the action taken with respect thereto.

Export licenses will provide that shipment must be made within a period of three months.

Export licenses will be issued against the export ceiling for the Initial period, 1991 or the End Period. Export licenses for 1991 or the End Period may be used as early as November 15 of the previous period within a limit of eight (8) percent of the export ceiling for 1991, or the End Period, respectively. Export licenses issued for the Initial Period and 1991, respectively, may not be used after December 31, 1990, and December 31, 1991, respectively, except that licenses not so used may be used during the first two months of the respective following period, up to a maximum of eight (8) percent of the export ceiling for the current period.

The EC and the US may increase the above percentage limits by mutual agreement.

- (b) The EC will require that the Arrangement products shall be accompanied by a certificate substantially in the form set out in Appendix B, endorsed in relation to a license indicating the day, month, and year in which the Arrangement products were exported, the Arrangement product name and number and tonnage exported. If any of this information is in a language other than English, the certificate must also contain an English language translation of this information.



The US shall require presentation of such certificates as a condition for entry into the USA of the Arrangement products. The US shall prohibit entry of such products not accompanied by such a certificate.

6. Technical Adjustments

- (a) Export ceilings for Arrangement products may be adjusted by the EC with prior notice to the US. Adjustments to increase or decrease the volume of the limit provided for in Article 3(a) and the sub-limit provided for in Article 3(b) must be offset by an equivalent volume change to one or more of the export ceilings for the categories established under the U.S.-EC Arrangement on certain steel products, entered into in 1989, for the same period. Notwithstanding the preceding sentences, no adjustment may be made under this Article which results in an increase or a decrease in a specific export ceiling by more than five (5) percent by volume of the unadjusted export ceiling for the relevant period. The EC and the US may agree to increase the above percentage limit.
- (b) Normally, only one change in a specific product export ceiling in the Initial Period, 1991 or the End Period may be made by an adjustment under the preceding paragraph or use of licenses in November-December or January-February under Article 5(a). Accordingly, changes in the Initial

Period, 1991 or End Period export ceilings by use of more than one of these three provisions may be made only upon agreement between the EC and the US.

7. Short supply

- (a) If the US in consultation with the EC determines that, because of abnormal supply or demand factors, (including substantial objective evidence such as allocation, extended delivery periods, the willingness of domestic producers to supply the steel product at prices which are not aberrations from prevailing domestic market prices, or other relevant factors), the United States steel industry will be unable to meet demand in the USA for a particular product, an additional tonnage shall be allowed for such product by a special issue of licenses.
- (b) The US shall make a determination under this Article within 30 days through a transparent procedure on the basis of objective evidence from all relevant sources. Furthermore, a 15 day fast track procedure shall be used for requests submitted during periods during which capacity utilization is 90 percent or more. Under such fast track procedures there shall be a rebuttable presumption that short supply exists.

- (c) Each authorized special issue export license and certificates derived therefrom shall be so marked. Each such license must be used within 180 days after the date of the authorization of the special issuance unless the US agrees to extend that period.
- (d) Notwithstanding paragraphs (a), (b) and (c), short supply procedures shall be no less favorable than is provided for in legislation that may be enacted by the US.

8. Monitoring

- (a) The EC will, within one month of the end of each quarter, or upon request, supply the US with such non-confidential information on all export licenses and certificates issued for Arrangement products as is required for the proper functioning of this Arrangement. This information will include at a minimum each license number, certificate number, quantity, date of export, category number and sub-category number.
- (b) The US will collect and transmit quarterly, or upon request, to the EC all non-confidential information relating to certificates received during the preceding quarter in respect of the Arrangement products. The US will also collect and transmit non-confidential information relating to actions taken in respect of the Arrangement products for violations of United States Customs Law.

9. Consultations

Consultations shall take place between the EC and the US on any matter arising out of the operation of this Arrangement.

Consultations will also be held if there are indications that imports from third countries are replacing imports from the EC.

If imports of a product within a limit or sub-limit significantly increase, relatively or absolutely and in relation to U.S. apparent consumption, so as to disturb traditional patterns of trade, consultations shall be held upon request in order to find an appropriate solution.

11. Application

This Arrangement shall apply to the USA and to the territories to which the treaty establishing the European Economic Community is applied on the conditions laid down in that treaty.

12. Notices

For all purposes hereunder, the US and the EC shall be represented by, and all communications and notices shall be given and addressed to:

For the EC:

The Commission of the European Communities  
Directorates-General for External Relations (I) and for  
Internal Market and Industrial Affaires (III)  
Rue de la Loi, 200  
B-1049 Brussels

For the Government of the United States of America:

Office of the United States Trade Representative  
Assistant United States Trade Representative for Industry  
Washington, D.C. 20506

United States Department of Commerce  
Assistant Secretary for Import Administration  
International Trade Administration  
Washington, D.C. 20230

ANNEX A

Product Category

Total Pipe and Tube  
OCTG

Apparent Consumption  
Forecast Category (ies)

Total Pipe and Tube  
OCTG

APPENDIX A  
IMPORTS BY CATEGORY

<u>PRODUCT</u>	<u>HTS(*)</u>	<u>Combined Nomenclature</u>
<u>OCTG</u>	7304.20	7304.20
	7305.20	7305.20
	7306.20	7306.20.00
<u>Other Pipe &amp; Tube</u>	7304.10(1)	7304.10(1)
	7304.31(1)	7304.31(1)
	7304.39(1)	7304.39(1)
	7304.41(1)	7304.41(1)
	7304.49(1)	7304.49(1)
	7304.51(1)	7304.51(1)
	7304.59(1)	7304.59(1)
	7304.90(1)	7304.90(1)
	7305.11	7305.11.00
	7305.12	7305.12.00
	7305.19	7305.19.00
	7305.31.40(1)	7305.31.00(1)(2)
	7305.31.60(1)	7305.39.00(1)
	7305.39(1)	7305.90.00(1)
	7305.90(1)	7306.10
	7306.10	7306.30(1)(2)
	7306.30.10(1)	7306.40(1)
	7306.30.50(1)	7306.50(1)(2)
	7306.40(1)	7306.60(1)
	7306.50.10(1)	7306.90.00(1)
	7306.50.50(1)	8547.90.00(3)
	7306.60(1)	
	7306.90(1)	
8547.90.0020		

(\*) The subheadings and item numbers referred to above are subject to revision when the EC or the US adopt modifications to their respective import nomenclatures. When such modifications are adopted, prior notification shall be given to the other party. HTS represents the Harmonized Tariff Schedule of the United States.

(1) Excluded if drill pipe of a kind used in drilling for earth, minerals or ores.

(2) Excluded if tapered pipes and tubes principally used as parts of illuminating articles.

Excluded if conduit tubing

1 Exporter (full name and address)	<b>CERTIFICATE</b> FOR THE EXPORT OF IRON AND STEEL PRODUCTS TO THE UNITED STATES OF AMERICA  <b>No</b> <span style="float: right;"><b>ORIGINAL</b></span>	
2 Consignee (full name and address)	3 Export licence No / issued in (Member State)	
	4 Extract No / issued in (Member State) of export licence No / issued in (Member State)	

**NOTES**

- A. This certificate must be completed on a typewriter and in English.
- B. This certificate and the export licence or the extract thereof to which it refers must be produced at the Customs office at which Customs formalities for export to the United States of America are completed.
- C. This certificate, duly endorsed by the Customs office shown in box no 7, must be produced to the competent authorities in the United States of America at the time of importation.

5 Marks and numbers - Number and kind of packages - Category and detailed description of iron and steel products	6 Quantity (metric tonnes)
--	----------------------------

**7 ENDORSEMENT BY THE COMPETENT CUSTOMS OFFICE IN THE EUROPEAN COMMUNITY**

The quantity (metric tonnes) of iron and steel products shown above has been attributed  to the export licence shown in box no 3  to the extract shown in box no 4. \*)

Customs export document: Signature: Stamp:

type: \_\_\_\_\_

number: \_\_\_\_\_

date: 

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Customs office: \_\_\_\_\_

Member State: \_\_\_\_\_

\*) The appropriate box to be indicated like this:



APPENDIX C  
CONCORDANCE OF U.S. SHIPMENTS, EXPORTS AND IMPORTS

	<u>TYPE*</u>	<u>SHIPMENTS</u> <u>(Category)</u>	<u>EXPORTS**</u> <u>(Schedule B)</u>	<u>IMPORTS**</u> <u>(HTS)</u>
Total Pipe and Tube	C	18	7304.10	7304.10
	C	19	7304.20	7304.20
	C	20	7304.31	7304.31
	C	21A	7304.39	7304.39
	C	21B	7304.90	7304.90
	C	22A	7305.11	7305.11
	C	22B	7305.12	7305.12
	C		7305.19	7305.19
	C		7305.20	7305.20
	C		7305.31	7305.31
	C		7305.39	7305.39
	C		7305.90	7305.90
	C		7306.10	7306.10
	C		7306.20	7306.20
	C		7306.30	7306.30
	C		7306.60	7306.60
	C		7306.90	7306.90
	C		7307.92.3010	7307.92.30
	C		7307.92.3030	8547.90.0020
			8547.90.0020	
	A	18	7304.51	7304.51
	A	19,20	7304.59	7304.59
	A	21A,21B	7306.50	7306.50
	A	22A,22B	7307.22.1000	7307.22.10
	S	21C	7304.41	7304.41
	S	21D	7304.49	7304.49
	S		7306.40	7306.40
OCTG (included in Total Pipe and Tube)	C	19	7304.20	7304.20
	C		7305.20	7305.20
	C		7306.20	7306.20

\*\* These numbers are subject to revision when the United States adopts modifications to the applicable import or export nomenclatures. Technical adjustments will be made as necessary.

\*  
C - Carbon  
S - Stainless  
A - Alloy

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	<u>TYPE*</u>	<u>SHIPMENTS (Category)</u>	<u>EXPORTS** (Schedule B)</u>	<u>IMPORTS** (HTS)</u>
Line Pipe (included in Total Pipe and Tube)	C	20	7304.10	7304.10
	C		7305.11	7305.11
	C		7305.12	7305.12
	C		7305.19	7305.19
	C		7306.10	7306.10
Stainless (included in Total Pipe and Tube)	S	21C	7304.41	7304.41
	S	21D	7304.49	7304.49
	S		7306.40	7306.40
Other Pipe and Tube (included in Total Pipe and Tube)	C	18	7304.31	7304.31
	C	21A	7304.39	7304.39
	C	21B	7304.90	7304.90
	C	22A	7305.31	7305.31
	C	22B	7305.39	7305.39
	C		7305.90	7305.90
	C		7306.30	7306.30
	C		7306.60	7306.60
	C		7306.90	7306.90
	C		7307.92.3010	7307.92.30
	C		7307.92.3030	8547.90.0020
	C		8547.90.0020	
	A	18	7304.51	7304.51
A	21A	7304.59	7304.59	
A	21B	7306.50	7306.50	
A	22A	7307.22.1000	7307.22.10	
A	22B			
Standard Pipe and Tube (included in Other Pipe and Tube)	C	18	7304.39	7304.39.0010
	C		7306.30.1500	7304.39.0015
	C		8547.90.0020	7304.39.0025
	C			7304.39.0060
	C			7304.39.0090
				7306.30.5025
				7306.30.5030
				7306.30.5040
				7306.30.5055
				7306.30.5580
			8547.90.0020	

## Appendix C/ 20

	<u>TYPE*</u>	<u>SHIPMENTS</u> <u>(Category)</u>	<u>EXPORTS**</u> <u>(Schedule B)</u>	<u>IMPORTS**</u> <u>(HTS)</u>
Structural Pipe and Tube (included in Other Pipe and Tube)	C	22A	7304.90.4000	7304.90.1000
	C	22B	7305.39	7305.31
	C		7305.90	7305.39
	C		7306.60.2500	7305.90
	C		7306.90	7306.30.3000
	C			7306.60.1000
	C			7306.90
	A	22A	7305.31	7304.90.3000
	A	22B		7306.50.3000
	A			7306.60.3000
Mechanical Tube (included in Other Pipe and Tube)	C	21A	7304.31	7304.31.3000
	C		7304.51	7304.31.6050
	C			7304.90.5000
	C			7306.30.1000
	C			7306.30.5015
	C			7306.30.5020
	C			7306.30.5035
	C			7306.60.5000
	A	21A	7304.59	7304.51.1000
	A		7304.90.6000	7304.51.5090
	A		7306.50.4500	7304.59.1000
	A		7306.60.6500	7304.59.6000
	A			7304.59.8000
	A			7304.90.7000
	A			7306.50.1000
	A			7306.50.5030
	A			7306.50.5050
A			7306.50.5070	
A			7306.60.7000	
Pressure Tube (included in Other Pipe and Tube)	C	21B	7306.30.1000	7304.31.6010
	C		7306.50.1000	7304.39.0005
	C			7306.30.5010
	A	21B		7304.51.5030
	A			7304.51.5050
	A			7304.59.2030
	A			7304.59.2050
A			7306.50.5010	

APPENDIX D

TO BE SPECIFIED IN CONSULTATIONS BETWEEN THE PARTIES



October 27, 1989

CONSENSUS

Dear Mr Vice President

In the course of discussions between the Government of the United States of America (the "US") and the European Coal and Steel Community and the European Economic Community (collectively, the "EC"), both parties have agreed to the following concerning steel trade:

ARTICLE 1

1. The US and the EC recognize that there is a need to achieve efficient new general disciplines in the context of the Uruguay Round of Multilateral Trade Negotiations to avoid trade distorting practices.
  
2. The US and the EC recognize the economic importance of the steel sector for their economies, the history of public support and barriers to market access which have distorted trade in steel for many years, and the other specific characteristics of this sector.

3. To cover the period prior to the establishment of new GATT disciplines during the Uruguay Round, the US and EC have agreed to conclude this bilateral agreement, the basic objectives of which are:

To provide a transition toward the more liberal conditions for steel trade which will result from the rules and disciplines of the GATT negotiated in the Uruguay Round;

To reduce trade distorting practices in steel; and

To establish a trading environment for steel that is fair and open.

4. This Agreement, while facilitating the achievement of the objectives described in paragraph 3, shall not prejudice the negotiating positions of the US or EC with respect to general disciplines on subsidies, dispute settlement or tariff and non tariff measures in the GATT or in the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade. The US and EC recognize that this Agreement cannot predetermine the results of the Uruguay Round of Multilateral Trade Negotiations or the techniques or modalities for achieving disciplines under negotiation in the Uruguay Round that may apply to the steel sector under general rules or otherwise.

5. The US and EC confirm that their mutual interests will be served by working together in the Uruguay Round to achieve multilateral agreement on rules imposing effective disciplines on public support, and limitations on tariff and non tariff measures, that are consistent with the aims and principles of this Agreement. To obtain this objective, the US and EC agree that they will both seek such agreement in the Uruguay Round and coordinate their efforts to this end.

ARTICLE 2

1. The US and EC reaffirm, for purposes of this Agreement, their obligations under existing multilateral rules not to grant any export subsidy identified in the Illustrative List of Export Subsidies in the Annex to the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade.
2. The US and the EC agree that other public support shall not be granted to their steel industries except as provided in Appendix A.



3. For purposes of this Agreement "Public Support" to the steel industry means intervention specifically provided by law or in fact to that sector by the US or EC, their Member States or States, or any regional or local authorities or through public resources in any form whatsoever. It shall in particular cover the foregoing of receipts, such as fiscal concessions, and the transfer of public resources to steel undertakings in the form of acquisitions of shareholdings or provisions of capital or similar financing which cannot be regarded as a genuine provision of risk capital according to usual investment practice in a market economy.
  
4. Public support commitments taken by the US or EC before the entry into force of this Agreement and described in Appendix B shall not be affected by this Agreement.

### ARTICLE 3

Because tariff and non-tariff measures can restrict and distort steel trade flows, the US and the EC agree to implement liberalization of both tariff and non-tariff measures as follows:

1. **Tariffs:** Through negotiations in the Uruguay Round, the US and the EC agree to seek from all participants substantial

reductions, harmonization, or, as appropriate, elimination of tariffs on steel, as well as a substantial increase in the scope of bindings.

2. Non-Tariff Measures: The US and the EC agree not to introduce any steel trade restrictive or distorting measures inconsistent with the provisions of the GATT or the instruments negotiated within the framework of GATT or under its auspices. Further, the US and EC agree not to take trade restrictive measures for balance of payments reasons. In addition, the US and EC agree to phase out all steel voluntary restraint agreements with third parties by March 31, 1992.

#### ARTICLE 4

At a time when the US and EC have made, and will need to continue to make, structural adjustments to their steel capacities, they confirm their determination not to foster overcapacities in steel production through official export credits or tied aids.

Therefore, the US and EC agree to seek expeditiously increased discipline over tied aid credits and other forms of subsidized official export credit support for steel plant and equipment in the OECD.

When guaranteeing or granting such credits, the US and EC will take into consideration the viability of the projects and examine the

possible repercussions on the stability of the steel market of the US or EC.

The US and EC:

Acknowledge that the interests of both parties are best served if agreement can be reached at an early stage on a common attitude on official facilities for a particular transaction;

Reaffirm, therefore, the need to promote common attitudes; particularly on important transactions;

Recognise that in certain instances, notably when existing exchange of information procedures are perceived to be functioning in an unsatisfactory manner, face-to-face consultations could facilitate the adoption of a common line;

Undertake, in such circumstances, to respond favourably to any such request for early face-to-face consultations and to attend any meeting arranged in order to reach a common attitude in conjunction with other interested participants; and

Confirm moreover the importance they attach to a strict observation of the arrangement on guidelines for officially supported export credits.

ARTICLE 5

1. The US and EC shall enter into consultations with each other concerning such representations as either party may make with respect to any matter affecting the operation of this Agreement.
  
2. If a dispute arises between the US and EC arising out of, or related to, the interpretation or the application of this Agreement, and if such dispute cannot be settled by means of consultation within fifteen days after a request therefor made by either party, then the US or EC may notify the other party that it is referring the dispute to binding arbitration and appoint an arbitrator. Within fifteen days of such notice, the other party must appoint a second arbitrator. Such arbitrators shall not have a financial interest in the dispute and shall not take instructions from either party.

The two arbitrators appointed by the US and EC shall appoint a third arbitrator, selected from a list of arbitrators compiled by the US and EC, or by random selection if necessary, within fifteen days after the appointment of the second arbitrator. The third arbitrator shall not be a national of either party, shall not have a financial interest in the dispute, and shall serve as Chairman of the arbitration panel.

The rules of procedure shall be established by the EC and the US or, failing that, by the arbitrators. The procedures shall assure a right to at least one hearing before the panel as well as the opportunity to provide written submissions and rebuttal arguments.

Each party shall bear the cost of its own arbitrator and its presentation in the proceedings. The cost of the Chairman and the remaining cost of the proceeding shall be borne equally by the US and EC.

3. The panel shall make its decisions by majority vote.
4. Within three months after the Chairman is appointed, the panel shall determine whether there has been an infringement of this Agreement. The panel shall also determine the appropriate measures to remedy such infringement.

In extraordinary circumstances that prevent the panel from meeting the required deadline, the parties may agree to extend the deadline but only to the extent necessary.

5. In the case of a clear and significant violation of Article 2 or 3, the adversely affected party may propose a preliminary remedy to offset the effects of such a violation pending a final arbitral determination. The preliminary remedy shall be subject to the same guidelines as a final remedy.

The procedures for establishing a preliminary remedy shall be as follows:

(a) If the matter has not been resolved through consultations within 15 days, and notice has been given by the adversely affected party that it considers the matter to be a clear and significant violation, the parties shall within 5 days appoint the Chairman of the arbitration panel by agreement or by random selection from the mutually compiled list.

(b) After selection of the Chairman, the adversely affected party may submit to the Chairman a proposed preliminary remedy to offset the effects of such a violation. Within 15 days, the Chairman must decide whether to authorize the proposed preliminary remedy, or to modify or disapprove such proposed remedy. The decision of the Chairman on the existence, scope, nature and duration of

the preliminary remedy shall be made taking into account the clarity and significance of the violation and the reasonableness of the preliminary remedy in light of the guidelines for a remedy.

(c) The preliminary remedy authorized by the Chairman may be applied by the adversely affected party until extended, modified or terminated by the arbitration panel's final determination.

6. (a) In making its interim relief and final remedy determinations under paragraphs 4 and 5, the panel shall take into account the following guidelines:

(1) Preference shall be given to measures that are (A) related to the product or products associated with the violation, and (B) that increase or decrease export ceilings under the Arrangement Between the European Coal and Steel Community and the European Economic Community, and the Government of the United States of America Concerning Trade in Certain Steel Products and the Arrangement on Pipes and Tubes entered into in 1989.

(ii) If necessary to achieve the objectives of this Agreement with respect to an infringement, the panel may authorize the imposition of temporary duties, or security therefor, on imports of products originating in the territory of the infringing party into the territory of the non-infringing party.

In designing such measures, the following shall be taken into account:

- (A) the gravity and nature of the infringement
- (B) the duration thereof
- (C) the adverse effects on the interests of the other party and
- (D) the proportion of US-EC trade in the product or products directly concerned by the infringement.

(b) Measures decided by the arbitrators should not be applied cumulatively with national or other provisions in respect of the same factual elements which constitute the infringement whether they have already been decided or are decided subsequently.



7. The US and EC must take the measures specified by the panel in its determinations. If the US or EC fails to implement such measures and they are unable to agree on appropriate compensation or other remedial action, then the other party may propose to the panel suspension of equivalent benefits under this Agreement to the non-complying party. Such suspension shall take effect 30 days after it is proposed to the panel unless the panel disapproves such action.

#### ARTICLE 6

1. This Agreement shall enter into force on the date of its acceptance by both parties and shall remain in force until 31 March 1992.
2. This Agreement may be amended by mutual consent of the US and EC to take into account any new situation which may arise, in particular the results of the Uruguay Round Negotiations.
3. Each party shall have the right to terminate this Agreement in the event of termination of the Arrangement concerning Trade in Certain Steel Products and the Arrangement on Pipes and Tubes entered into in 1989.

4. The provisions of this Agreement only concern steel and for the purpose of this Agreement "steel" shall mean those products described in Article 3 of the Arrangement Concerning Trade in Certain Steel Products and the Arrangement on Pipes and Tubes entered into in 1989.
5. This Agreement shall be of application in the territories described in Article 12 of the Arrangement Concerning Trade in Certain Steel Products and the Arrangement on Pipes and Tubes entered into in 1989.
6. This Arrangement does not affect the rights and obligations of the parties under the GATT or other multilateral instruments negotiated under the auspices of the GATT.

I shall be grateful, Mr Vice President, if you would kindly confirm that the foregoing correctly sets out the understanding reached between us.

Please accept, Mr Vice President, the assurance of my highest consideration.

Sincerely,

Carla A. HILLS

APPENDIX A

All public support to the steel industry is prohibited under the terms of this Agreement with the following exceptions:

1. Public Support for Research and Development

Up to a maximum of 35 percent net grant equivalent of the eligible costs as regards basic industrial research and 25 percent in the case of applied research and development.

Eligible costs are only those which are directly related to research and development, excluding those related to industrial application or commercial exploitation of the results.

2. Public Support for Environmental Protection

Up to a maximum of 15 percent net grant equivalent of the investment costs directly related to the environmental measures concerned.

3. Public Support for Social Purposes

Aid to costs of payment to workers made redundant or accepting early retirement by the permanent discontinuance, curtailment or change of activities of steel undertakings.

4. Public Support for Closure

Aid to meet closure costs additional to social costs mentioned in paragraph 3 to steel companies which for a period of not less than 4 consecutive years have been engaged in the production of steel products described in Article 3 of the Arrangement Concerning Trade in Certain Steel Products and the Arrangement Concerning Trade in Steel Pipes and Tubes between the US and EC and which permanently cease all such steel production by the entire company up to a maximum of the higher of the following two values:

- (a) The discounted value of the contribution to fixed costs obtainable from the plants over a three year period less the advantages obtained by the firm from the closure; or
- (b) the residual book value of the plants.

APPENDIX B

EC: The commitments deriving from the Commission Decision of 23.12.1988, concerning aid that the Italian Government proposes to grant to the public Steel Sector (89/218/ECSC) as consented to unanimously by the Council at its meeting of 13.12.1988, and from the Protocol N°.20 to the Act of Accession of Portugal to the EC.

US: The benefits provided by Section 9303(e)(3) of the Omnibus Budget Reconciliation Act of 1987 (24USC 412) concerning reduced pension funding requirement for steel companies.

Any cost reduction or benefits under Chapter 11 of Title 11 of the United States Code, (11 USC Sections 1101-1146), concerning voluntary bankruptcy proceedings.



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