

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(93) 111 final

Brussels, 18 March 1993

Proposal for a

## COUNCIL REGULATION (EEC)

extending the measures taken under the agreement between  
the European Economic Community and the United States of  
America for the conclusion of negotiations under GATT

Article XXIV.6

(presented by the Commission)

EXPLANATORY MEMORANDUM

Subject: The 1987 bilateral agreement between the European Economic Community and the United States of America

1. In 1987 an "Agreement for the Conclusion of Negotiations between the European Economic Community and the United States of America under GATT Article XXIV.6" was entered into between the two parties by which they agreed upon a number of rights and obligations (1). Consultations between the two parties as foreseen in the Agreement subsequently took place in an attempt to find a solution to the disagreement existing between the Community and the United States, on whether or not new actions, if any, might be appropriate.
2. It was not possible to conclude these consultations by the end of 1990, notably in view of the prolongation of the Uruguay Round, and therefore in respect of those rights and obligations which were foreseen to expire on that date an agreement was reached between the Community and the United States to extend these until 31 December 1991. The Community implemented this prolongation by a Decision by the Council to approve an Exchange of Letters between the Community and United States complementing the Agreement (2).
3. The Commission considered it appropriate that on the one hand it was desirable to continue to apply these measures, in particular to avoid a worsening of the disagreement on this issue, and on the other hand that it was preferable to do so on an autonomous basis. Consequently, the Commission submitted to the Council a draft regulation extending these measures from 1 January 1992 for a year. Subsequently, the proposal was adopted by the Council late 1991 and published in Regulation (EEC) No 3919/91 (3).
4. As the negotiations under the Uruguay Round are continuing into 1993, a resolution of this issue is still not possible. The Commission, therefore, proposes to extend these measures for another year with effect from 1 January until 31 December 1993.

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(1) OJ No L 98, 10.4.1987, p. 1.  
(2) OJ No L 17, 23.1.1991, p. 17  
(3) OJ No L 372, 31.12.1991, p. 35.

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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 by an Agreement between the European Economic  
Community and the United States of America for the  
conclusion of negotiations under Article XXIV.6 of the  
General Agreement on Tariffs and Trade (GATT) (1) which  
was extended by the conclusion of an Exchange of Letters  
(2) supplementing that Agreement until 31 December 1991,  
the Community agreed to take certain measures;

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(1) OJ No L 98, 10.4.1987, p. 1.

(2) OJ No L 17, 23.1.1991, p. 17.

Whereas the Community applied these measures during 1992 by virtue of Council Regulation (EEC) No 3919/91 of 19 December 1991 (3);

Whereas the reasons still exist for the prolongation of these measures,

HAS ADOPTED THIS REGULATION

Article 1

The measures referred to in the Exchange of Letters supplementing the Agreement between the European Economic Community and the United States of America for the conclusion of negotiations under GATT Article XXIV.6 shall be applied by the Community until 31 December 1993.

Article 2

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

It shall apply with effect from 1 January 1993.

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

Done at Brussels,

For the Council

The President

FINANCIAL RECORD

1. Budge line concerned: Chap. 12 Art. 120
  
2. Title of the measure concerned: Draft proposal for a Council Regulation (EEC) extending the measures taken under the agreement between the European Economic Community and the United States of America for the conclusion of negotiations under GATT Article XXIV.6
  
3. Legal basis: Art. 113 of the Treaty
  
4. Objective: To ensure the continued application of the reduction of certain autonomous duties in the Combined Nomenclature by virtue of "Agreement for the Conclusion of Negotiations between the European Economic Community and the United States of America under GATT Article XXIV.6" on an autonomous basis
  
5. Cost of this measure: No significant change in the situation as compared with the previous year

IMPACT ON COMPETITIVENESS AND EMPLOYMENT RECORD

The present draft proposal will not alter the current situation in respect of competitiveness and employment. On the contrary, without these measures the United States of America might consider retaliating against Community exporters for a number of sensitive products.

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ISSN 0254-1475

COM(93) 111 final

# DOCUMENTS

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Catalogue number : CB-CO-93-133-EN-C

ISBN 92-77-53824-4

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Office for Official Publications of the European Communities  
L-2985 Luxembourg