

ARRANGEMENT

in the form of an Exchange of Letters with the United States of America amending the Arrangement of 21 October 1982 concerning trade in certain steel products

A. Letter from the United States of America

Sir,

In the course of discussions between the Government of the United States of America and the European Coal and Steel Community and the European Economic Community, both parties have agreed to amend the Arrangement concerning trade in certain steel products, dated 21 October 1982, as extended and modified on 11 December 1985, to include semi-finished steel as indicated in the following paragraphs and, in consequence, to revoke their respective unilateral measures related thereto, effective 15 September 1986:

1. In Article 3 (a), insert the term 'semi-finished steel' at the end of the list of products.
2. In Article 4 (a), strike out the word 'and' at the end of paragraph 1, strike out the full stop at the end of paragraph 2 and insert in lieu thereof a semicolon and the word 'and', and insert the following new paragraph 3 after 4 (a) (2):

'(3) In the case of semi-finished steel products, such licences shall be required for the period beginning on 15 September 1986 and ending on the last day of the End Period.'
3. In Article 4, designate the paragraph in subsection (a) beginning 'Such licences shall' as subsection (b); redesignate old subsection (b) and subsection (c) as subsections (d) and (e) respectively; and insert immediately after new subsection (b) the following new subsection (c):

'(c) Such licences shall be issued to Community exporters for semi-finished steel products in quantities no greater than the following number of tons (hereafter called "export ceilings") for the specified periods:

<i>Period</i>	<i>Tons</i>
15 September to 31 December 1986	300 000, of which not more than 272 500 tons shall be "slabs" (as defined in Appendix B),
1987	620 000, of which not more than 565 000 tons shall be slabs,
1988	640 000, of which not more than 585 000 tons shall be slabs,
End Period	502 500, of which not more than 461 250 tons shall be slabs.

The semi-finished steel export ceiling in 1986, or the export ceiling for subsequent periods should the 1986 ceiling be exceeded, shall be increased or decreased by the number of tons of semi-finished steel products below or above 300 000 tons imported into the USA in 1986 and exported from the EEC before 15 September 1986. As from 15 September 1986, and regularly thereafter, the US will inform the EEC promptly of the number of tons of semi-finished steel exported from the EEC to the USA before 15 September 1986, imported into the USA without an EEC certificate, and not yet entered, or withdrawn from warehouse, for consumption so as to enable the EEC to issue *ad hoc* certificates confirming that these quantities were exported from the EEC to the USA before 15 September 1986. Semi-finished steel products exported before 15 September 1986 shall be permitted to enter the USA upon presentation of such certificates issued by the EEC. Such certificates shall be specially marked. Applications for such certificates should be received by the EEC from exporters before 31 October 1986.

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

4. Appendices B, D and E shall be modified as indicated in the attachment to this letter.

I hereby confirm the agreement of the Government of the United States of America to the foregoing and should be grateful if you would acknowledge receipt of this letter and confirm the European Economic Community's agreement to its contents.

Please accept, Sir, the assurance of my highest consideration.

*For the Government of the
United States of America*

Clayton YEUTTER

B. *Letter from the European Community*

Sir,

I have the honour to acknowledge receipt of your letter, dated 5 September 1986, which reads as follows :

'In the course of discussions between the Government of the United States of America and the European Coal and Steel Community and the European Economic Community, both parties have agreed to amend the Arrangement concerning trade in certain steel products, dated 21 October 1982, as extended and modified on 11 December 1985, to include semi-finished steel as indicated in the following paragraphs and, in consequence, to revoke their respective unilateral measures related thereto, effective 15 September 1986 :

1. In Article 3 (a), insert the term "semi-finished steel" at the end of the list of products.
2. In Article 4 (a), strike out the word "and" at the end of paragraph 1, strike out the full stop at the end of paragraph 2 and insert in lieu thereof a semicolon and the word "and", and insert the following new paragraph 3 after 4 (a) (2) :

"(3) In the case of semi-finished steel products, such licences shall be required for the period beginning on 15 September 1986 and ending on the last day of the End Period."

3. In Article 4, designate the paragraph in subsection (a) beginning "Such licences shall" as subsection (b) ; redesignate old subsection (b) and subsection (c) as subsections (d) and (e) respectively ; and insert immediately after new subsection (b) the following new subsection (c) :

"(c) Such licences shall be issued to Community exporters for semi-finished steel products in quantities no greater than the following number of tons (hereafter called 'export ceilings') for the specified periods :

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The semi-finished steel export ceiling in 1986, or the export ceiling for subsequent periods should the 1986 ceiling be exceeded, shall be increased or decreased by the number of tons of semi-finished steel products below or above 300 000 tons imported into the USA in 1986 and exported from the EEC before 15 September 1986. As from 15 September 1986, and regularly thereafter, the US will inform the EEC promptly of the number of tons of semi-finished steel exported from the EEC to the USA before 15 September 1986, imported into the USA without an EEC certificate, and not yet entered, or withdrawn from warehouse, for consumption so as to enable the EEC to issue *ad hoc* certificates confirming that these quantities were exported from the EEC to the USA before 15 September 1986. Semi-finished steel products exported before 15 September 1986 shall be permitted to enter the USA upon presentation of such certificates issued by the EEC. Such certificates shall be specially marked. Applications for such certificates should be received by the EEC from exporters before 31 October 1986.

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

4. Appendices B, D and E shall be modified as indicated in the attachment to this letter.

I hereby confirm the agreement of the Government of the United States of America to the foregoing. I should be grateful if you would acknowledge receipt of this letter and confirm the European Economic Community's agreement to its contents.’

I have the honour to confirm that the European Communities are in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Council and the Commission
of the European Communities*

Willy DE CLERCQ

*Attachment to the Exchange of Letters*Appendix B shall be modified by adding the following after 'Alloy tool steel 73.76-19⁽²³³⁾':

Product	NIMEXE Code (*)	TSUSA Number (*)
SEMI-FINISHED PRODUCTS :	73.07-12 ⁽²³⁵⁾	606.6705
	15 ⁽²³⁵⁾	606.6710
Blooms and billets	73.10-17 ⁽²³⁵⁾	606.6715
	20 ⁽²³⁵⁾	606.6720
	73.61-10 ⁽²³⁵⁾	606.6901
	50 ⁽²³⁵⁾	606.6902
	73.63-10 ⁽²³⁵⁾	606.6905
	29 ⁽²³⁵⁾	606.6906
	73.71-13 ⁽²³⁵⁾	606.6909
	14 ⁽²³⁵⁾	606.6912
	19 ⁽²³⁵⁾	606.6949
	51 ⁽²³⁵⁾	606.6951
	54 ⁽²³⁵⁾	606.6953
	55 ⁽²³⁵⁾	606.6955
	56 ⁽²³⁵⁾	
	59 ⁽²³⁵⁾	
	73.73-13 ⁽²³⁵⁾	
	14 ⁽²³⁵⁾	
	19 ⁽²³⁵⁾	
	33 ⁽²³⁵⁾	
	34 ⁽²³⁵⁾	
	35 ⁽²³⁵⁾	
	36 ⁽²³⁵⁾	
	39 ⁽²³⁵⁾	
Slabs (including ingots and sheet bars)	73.06-10 ⁽²³⁶⁾	606.6725
	20	606.6730
	30 ⁽²³⁶⁾	606.6735
	73.07-21	606.6740
	24	606.6904
	25	606.6915
	73.10-17 ⁽²³⁶⁾	606.6918
	20 ⁽²³⁶⁾	606.6921
	73.61-10 ⁽²³⁶⁾	606.6923
	20	606.6957
	50 ⁽²³⁶⁾	606.6959
	73.63-10 ⁽²³⁶⁾	606.6961
	29 ⁽²³⁶⁾	606.6963
	73.71-13 ⁽²³⁶⁾	607.6620 ⁽¹⁷⁾
	14 ⁽²³⁶⁾	607.7603 ⁽¹⁷⁾
	19 ⁽²³⁶⁾	607.7803 ⁽¹⁷⁾
	21 ⁽²³⁶⁾	
	23	
	24	
	29	
	52	
	54 ⁽²³⁶⁾	
	55 ⁽²³⁶⁾	
	56 ⁽²³⁶⁾	
	59 ⁽²³⁶⁾	
	73.73-13 ⁽²³⁶⁾	
	14 ⁽²³⁶⁾	
	19 ⁽²³⁶⁾	
	33 ⁽²³⁶⁾	
	34 ⁽²³⁶⁾	
	35 ⁽²³⁶⁾	
	36 ⁽²³⁶⁾	
	39 ⁽²³⁶⁾	

(*) These numbers are subject to revision when the United States or the EEC adopts modifications to the applicable import or export nomenclature. Subject to technical adjustments to be agreed upon by experts of both parties.

⁽²³⁵⁾ Covered if 'blooms' or 'billets' as defined in schedule 6, part 2, subpart B, 3 (b) of the Tariff Schedules of the United States Annotated.

⁽²³⁶⁾ Covered if 'ingots', 'slabs' or 'sheet bars' as defined in schedule 6, part 2, subpart B, 3 (a) and (c) of the Tariff Schedules of the United States Annotated.

Appendix D shall be modified by adding the following :

Concordance of US shipments, imports, and exports and European arrangement categories

Product	Type (*)	Shipments (Category)	Exports (**) (Schedule B)	Imports (**) (TSUSAs)
Semi-finished products	C	1 A	608.1210	606.6705 (**)
	C	1 B	608.2010	606.6710 (**)
	C	2		606.6715 (**)
	C			606.6720 (**)
	C			606.6725 (***)
	C			606.6730 (***)
	C			606.6735 (***)
	C			606.6740 (***)
	C			607.6620 (17) (***)
	A	1 A	608.1230	606.6901 (**)
	A	1 B	608.2030	606.6902 (**)
	A	2		606.6904 (***)
	A			606.6649 (**)
	A			606.6951 (**)
	A			606.6953 (**)
	A			606.6955 (**)
	A			606.6957 (***)
	A			606.6959 (***)
	A			606.6961 (***)
	A			606.6963 (***)
	A			607.7803 (17) (***)
	S	1 A	608.1230	606.6905 (**)
	S	1 B	608.2020	606.6906 (**)
	S			606.6909 (**)
	S			606.6912 (**)
	S			606.6915 (***)
	S			606.6918 (***)
	S			606.6921 (***)
S			606.6923 (***)	
S			607.7603 (17) (***)	

(*) C = Carbon, A = Alloy, S = Stainless.

(**) 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.

(***) Blooms and billets.

(****) Other semi-finished (including slabs).

Appendix E shall be modified by deleting the column entitled 'semi-finished steel', including TSUSA Nos 606.6705 to 607.7803 inclusive.