

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(91) 482 final

Brussels, 2 December 1991

Proposal for a
COUNCIL REGULATION (EEC)

prolonging the measures taken under the agreements
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. As the negotiations under the Uruguay Round will continue into 1992, a resolution of this issue is still not possible. The fact that the present Decision is limited in time means that certain measures cannot be applied after the end of 1991, without a legal basis in the form of a Council instrument.
4. The Commission's proposal for a Council Regulation reflects its view that on the one hand it is 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 is preferable to do so on an autonomous basis.
5. Given that the measures are being retained autonomously, the appropriate legal instrument is a Council Regulation.

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

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

6. It is proposed that the draft Regulation shall apply from 1 January 1992 for a year and it is therefore suggested that it is adopted in advance of that date in order to avoid any practical problems of application, in particular in respect of the reduction of certain rates of duties in the Combined Nomenclature

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COUNCIL REGULATION (EEC) NO/91
of

prolonging the measures taken under the agreements
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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 GATT Article XXIV.6 (1)
which was extended by an Exchange of Letters (2)
complementing that Agreement until 31 December 1991, the
Community agreed to take certain measures;

Whereas it is considered appropriate that the Community
shall apply the same measures until 31 December 1992,

HAS ADOPTED THIS REGULATION

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

HAS ADOPTED THIS REGULATION

Article 1

The measures referred to in the Exchange of Letters complementing 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 1992.

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 1992.

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. Budget line concerned : Chap. 12 Art. 120
2. Title of the measure concerned : Draft proposal for a Council Regulation (EEC) prolonging the measures taken under the agreements 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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