

COMMISSION  
OF THE  
EUROPEAN COMMUNITIES

WILLY DE CLERCQ  
Member of the Commission  
with special responsibility for External Relations  
and Commercial Policy

Brussels, 15.07.86\* 1457

Not final version. Dates to be changed.

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The Honourable  
Clayton Yeutter  
United States Trade  
Representative  
600 17th Street, N.W.  
Washington, D.C. 20506

441.2 (163)  
Special

Dear Mr Ambassador,

In the course of discussions between the European Coal and Steel Community and the European Economic Community and the Government of the United States of America, 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 July 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 Article 4.a)(2) :

"(3) In the case of semi-finished steel products, such licences shall be required for the period beginning on 15 July 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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<u>Period</u>	<u>Tons</u>
15 July 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 EC before 15 July 1986. As from 15 July 1986, and regularly there-after, the US will inform the EC promptly of the number of tons of semi-finished steel exported from the EC to the USA before 15 July 1986, imported into the USA without an EC certificate, and not yet entered, or withdrawn from warehouse, for consumption so as to enable the EC to issue ad hoc certificates confirming that these quantities were exported from the EC to the USA before 15 July 1986. Semi-finished steel products exported before 15 July 1986 shall be permitted to enter the USA upon presentation of such certificates issued by the EC. Such certificates shall be specially marked. Applications for such certificates should be received by the EC from exporters before 31 August 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 EC of such quantities and conditions. The EC 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 confirm the agreement of the EC to the foregoing. I should be grateful if you would acknowledge receipt of this letter and confirm your Government's agreement to its content.

For the Council and the  
Commission of the European Communities

Attachments.



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

Product	NIMEXE Code*	TSUSA Number*
	73.71-56/236/ 73.71-59/236/ 73.73-13/236/ 73.73-14/236/ 73.73-19/236/ 73.73-33/236/ 73.73-34/236/ 73.73-35/236/ 73.73-36/236/ 73.73-39/236/	

\* These numbers are subject to revision when the United States or the EC 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.

ATTACHMENT TO EXCHANGE OF LETTERS

Appendix D shall be modified by adding the following :

CONCORDANCE OF US SHIPMENTS, IMPORTS, AND EXPORTS  
EUROPEAN ARRANGEMENT CATEGORIES

Product	Type*	Shipments (Category)	Exports** (Schedule B)	Imports** (TSUSA 's)
SEMI-FINISHED PRODUCTS	C	1A	608.1210	+606.6705
	C	1B	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	1A	608.1230	+606.6901
	A	1B	608.2030	+606.6902
	A	2		++606.6904
	A			+606.6949
	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	1A	608.1220	+606.6905
	S	1B	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).

ATTACHMENT TO EXCHANGE OF LETTERS

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